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Footwear
(Men's, Women's & Boys' and Girls')

FAIRCHILD FACT FILE

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FOOTWEAR (MEN'S, WOMEN'S, BOYS' & GIRLS')

Market Trends

The slide in U.S. production of footwear started in 1968 (when output exceeded 640 million pairs), and it has accelerated. Production in 1985 of nonrubber footwear (which excludes canvas-top shoes and protective plastic/rubber footwear) dwindled to 265.5 million pairs. This was 12.4% below the 1984 total; 59% below the 1968 level. In the first seven months of 1986, U.S. nonrubber footwear production fell more than 11% below the comparable total a year earlier, and double digit declines are expected for the balance of the year.

Meanwhile, imports continue to soar. In 1985, a total of over $842 million pairs in the nonrubber footwear classification came into the U.S. market from foreign sources, up 16% over the 1984 total, and more than quadruple the 1968 total of 175.3 million pairs. In the first six months of 1986, imports accounted for 81% of the new supply of footwear in the U.S. in quantity, and 62% in terms of value. After a dip in June, imports skyrocketed 24% in July, despite price increases due to higher production costs in some countries, the weaker U.S. dollar, and an import total of close to one billion pairs this year.

Much of the increase in imports has been due to the great demand for aerobic footwear -- soft leather-topped footwear which can be efficiently produced in the U.S. This shoe top accounts for about 30% of the U.S. athletic footwear market, and is dominated by two U.S. suppliers: Reebok and Nike. It was the fastest-growing shoe type last year, and growth is expected to continue, though at a slower rate. Major producers are expanding their lines of fitness shoes for men and aerobics for women.

The next growth area in the athletic footwear market is expected to be in walking shoes, although views on the outlook for this segment are mixed. Addidas is one of the few athletic footwear manufacturers that have decided not to get into the walking shoe arena, as these shoes do not fit into the traditional channels of sporting goods distribution, but are generally sold in department stores. Another growth area is reported to be in canvas-upper shoes. These are expected to reemerge in popularity among wearers attracted by the durability of canvas.

In most types of footwear there was a great oversupply in the U.S. market in 1985, and competition was intense. Aided by the drop in the value of the U.S. dollar, some U.S. producers were able to find markets overseas -- particularly in Japan which bought our athletic footwear, and in Mexico. But exports are very samll compared with imports -- reaching a total of 11.3 million pairs last year, the best since 1980. In 1984, 9.9 million pairs were exported.

The total value of personal consumption expenditures for footwear, according to the Census Bureau, reached $22.9 billion in 1985, which was 5.0% over the 1984 total. In the first six months of 1986, shoe store sales in the U.S. were up 2.8% on a seasonally adjusted basis compared with the same 1985 period, with multi-units (in firms with 11 or more shoe stores) doing better (+11.1%). In an analysis of the fashion footwear market by Merrill Lynch, a gain of about 4% in sales was anticipated in 1986 and a 2.5% rise in 1987, compared with the 8% increase registered for this segment of the market in 1985.

The large inventory buildup brought about by rapidly changing fashions in all types of footwear which prevailed last year has been brought under better control. However, the industry must still cope with changes in consumer style preferences among every age group. Colors and decorations and "trendy" looks characterize a large part of the market, and consumer demand is very unpredictable. Fashion directions are pointing to boots in the coming season, and reception is reported to be good. Another growth area is reported to be the comfort shoe market.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

A complete census of all manufactures in the U.S. with one or more employees on the payroll is compiled every five years by the U.S. Department of Commerce, Bureau of the Census. Results from the most recent census, covering operations in 1982 in industry classifications defined under the Standard Industrial Classification system, are reported in the following tables. In addition, comparable figures for 1983 and 1984, from the annual surveys of manufactures. The Census Bureau conducts an annual survey among a sample of manufacturers (as opposed to a complete census) in order to develop estimates on key measurements of manufacturing activity during intercensal periods.

In addition to the above, the International Trade Administration (Department of Commerce) compiles estimates and forecasts involving manufacturing activity, and overall market supply, published in the annual report, U.S. Industrial Outlook. This source, too, is drawn upon in the following data.

The value of shipments, including contract work, secondary products and miscellaneous receipts (labelled "industry shipments") in the nonrubber footwear industry amounted to $4,883 million in 1984. This amount was 6.6% below the 1983 total, and 7.3% lower than in 1982. According to ITA estimates, the decline in industry shipments accelerated in 1985, dropping 16% compared with 1984 on a constant (1982) dollar basis, and the rate of decline is expected to slow to -3.7% for the year 1986.

On a current dollar basis, industry shipments in the rubber/plastics footwear industry were valued at $681.3 million in 1984, down 6.4% from 1983 and 3.5% below the 1982 total. The ITA reported that on a constant dollar basis, eliminating the effects of inflation, industry shipments registered an annual average decline of 2% in value in the 1972-1984 period, and were down an estimated 3% in 1985 compared with 1984. A further decline was anticipated for 1986.

GENERAL INDUSTRY STATISTICS

Trends in the Footwear Industry

	Compound Annual Rate of Growth 1972-1982	Compound Annual Rate of Growth 1977-1982	Percent Change (e) 1985/1984	Percent Change (e) 1986/1985
Nonrubber footwear industry				
Value of industry shipments				
Current dollars				
Industry total	+ 4.9%	+ 6.2%	-16.0%	nr
House slippers	+ 6.2	+ 6.5	- 6.3	nr
Men's footwear	+ 5.8	+ 5.4	-10.3	nr
Women's footwear	+ 3.7	+ 7.3	-24.7	nr
Footwear, nec	+ 5.1	+ 6.1	-12.9	nr
Constant 1982$				
Industry total	- 2.4	- 1.8	-16.9	- 3.7
House slippers	- 0.6	- 0.4	- 7.3	- 2.0
Men's footwear	- 2.6	- 2.9	-12.4	- 2.0
Women's footwear	- 2.9	- 1.1	-24.9	- 5.0
Footwear, nec	- 0.8	- 0.3	-14.3	- 7.0
Total employment	- 3.6	- 3.5	-13.7	nr
Rubber/plastics footwear industry				
Value of industry shipments				
Current dollars	+ 1.6	+ 6.4	nr	nr
Constant (1982$)	- 3.6	+ 1.5	- 3.0	nr
Total employment	- 5.7	- 2.3		nr

nr not reported
nec not elsewhere classified
(e) estimated

Source: U.S. Department of Commerce,
International Trade Administration
U.S. Industrial Outlook 1986

The U.S. Manufacturing Industry By Type of Footwear, 1977, 1982-1984

	1984	1983	1982(r)	1977	% Change 1984/82
NONRUBBER FOOTWEAR, TOTAL (SIC 314)					
Number of companies	na	na	na	541	—
Number of establishments#	na	714	752	811	—
With 20 or more employees	na	513	537	603	- 16.6%
All employees (thous.)	101.3	113.4	122.5	145.5	- 17.2
Production workers (thous.)	88.9	100.1	108.4	129.3	- 9.9
Payroll (mil. $)	$1,125.8	$1,236.5	$1,255.1	$1,031.5	- 7.3
Value added by manufacture (mil. $)**	2,602.8	2,849.8	na	2,069.4	- 7.3
Value of industry shipments (mil. $)***	4,883.2	5,228.0	5,285.1	3,891.7	- 2.7
Capital expenditures, new (mil. $)	63.8	57.9	65.6	37.1	—
Machinery equipment	na	na	47.3	28.1	—

(continued)

GENERAL INDUSTRY STATISTICS

The U.S. Manufacturing Industry By Type of Footwear, 1977, 1982-1984
(continued)

	1984	1983	1982(r)	1977	% Change 1984/82
MEN'S FOOTWEAR, EXCEPT ATHLETIC (SIC 3143*)					
Number of companies	na	na	129	115	—
Number of establishments#	na	195	203	213	—
With 20 or more employees	na	na	159	180	—
All employees (thous.)	40.1	43.0	46.5	55.0	- 13.8
Production workers (thous.)	35.3	38.0	40.7	49.2	- 13.3
Payroll (mil. $)	$ 472.7	$ 494.1	$ 503.1	$ 417.0	- 6.0
Value added by manufacture (mil. $)**	118.9	1,138.7	1,101.4	871.9	+ 1.6
Value of industry shipments (mil. $)***	2,230.6	2,264.0	2,261.4	1,734.5	- 1.4
Capital expenditures, new (mil. $)	28.0	18.8	28.3	14.5	- 1.1
Machinery & equipment	na	na	18.8	11.0	—
WOMEN'S FOOTWEAR, EXCEPT ATHLETIC (SIC 3144*)					
Number of companies	na	na	209	243	—
Number of establishments#	na	266	293	328	—
With 20 or more employees	na	219	226	241	—
All employees (thous.)	40.7	46.5	48.4	57.6	- 15.9
Production workers (thous.)	36.1	41.5	43.4	51.3	- 16.8
Payroll (mil. $)	$ 431.2	$ 495.4	$ 483.1	$ 388.6	- 10.7
Value added by manufacture (mil. $)**	987.1	1,156.2	1,107.0	755.0	- 10.8
Value of industry shipments (mil. $)***	1,728.1	1,957.7	1,933.2	1,361.2	- 10.8
Capital expenditures, new (mil. $)	23.2	22.8	20.2	9.7	+ 14.8
Machinery & equipment	na	na			—
HOUSE SLIPPERS (SIC 3142*)					
Number of companies	na	na	53	65	—
Number of establishments#	na	54	62	78	—
With 20 or more employees	na	35	44	55	—
All employees (thous.)	6.5	6.4	7.5	8.1	- 13.3
Production workers (thous.)	5.4	5.4	6.4	7.0	- 15.6
Payroll (mil. $)	$ 66.8	$ 64.2	71.3	$ 54.5	- 6.3
Value added by manufacture (mil. $)**	133.6	128.9	149.7	108.8	- 10.7
Value of industry shipments (mil. $)***	248.4	241.9	275.8	201.2	- 9.9
Capital expenditures, new (mil. $)	4.1	2.6	3.1	2.3	+ 32.3
Machinery & equipment	na	na	2.4	1.6	—
FOOTWEAR, EXCEPT RUBBER, NOT ELSEWHERE CLASSIFIED (SIC 3149*)					
Number of companies	na	na	167	159	—
Number of establishments#	na	188	193	192	—
With 20 or more employees	na	107	107	127	—
All employees (thous.)	14.0	17.4	19.1	24.8	- 14.8
Production workers (thous.)	12.1	15.2	16.8	21.8	- 17.3
Payroll (mil. $)	$ 155.2	$ 182.9	$ 192.7	$ 171.4	- 7.5
Value added by manufacture (mil. $)**	363.2	426.0	450.9	333.7	- 5.3
Value of industry shipments (mil. $)***	676.2	764.5	798.9	594.8	- 3.5
Capital expenditures, new (mil. $)	8.6	7.7	14.0	10.6	+ 85.5
Machinery & equipment	na	na	9.2	7.8	—

(continued)

GENERAL INDUSTRY STATISTICS

The U.S. Manufacturing Industry By Type of Footwear, 1977, 1982-1984
(continued)

	1984	1983	1982(r)	1977	% Change 1984/82
RUBBER & PLASTICS FOOTWEAR (SIC 3021*)					
Number of companies	na	na	53	67	—
Number of establishments#	na	66	65	84	--
With 20 or more employees	na	45	40	50	—
All employees (thous.)	15.0	17.3	17.6	19.8	- 14.8%
Production workers (thous.)	12.4	14.9	15.0	16.4	- 17.3
Payroll (mil. $)	$ 181.8	$ 200.0	$ 196.5	$ 159.1	- 7.5
Value added by manufacture (mil. $)**	340.9	425.9	360.1	272.3	- 5.3
Value of industry shipments (mil. $)***	681.3	728.0	706.2	517.0	- 3.5
Capital expenditures, new (mil. $)	23.0	12.7	12.4	11.3	+ 85.5
Machinery & equipment	na	na	11.4	10.4	—
BOOT & SHOE CUT STOCK & FINDINGS (SIC 3131*)					
Number of companies	na	na	149	174	—
Number of establishments#	na	154	161	190	--
With 20 or more employees	na	75	80	96	—
All employees (thous.)	6.0	63	6.8	8.5	- 11.8
Production workers (thous.)	5.1	57	5.7	7.4	- 10.5
Payroll (mil. $)	$ 173.8	$ 75.7	$ 80.8	$ 65.3	- 8.7
Value added by manufacture (mil. $)**	128.3	142.0	154.7	109.4	- 17.1
Value of industry shipments (mil. $)***	313.8	353.1	367.8	270.6	- 14.9
Capital expenditures, new (mil. $)	2.8	4.5	6.0	3.0	- 53.3
Machinery & equipment	na	na	5.0	2.2	—

na not available

(r) revised

# Each business location is counted as a separate establishment. Figures for 1983 are from County Business Patterns, U.S. Bureau of the Census.

* Manufacturers are classified by industry under the Standard Industrial Classification (SIC) System determined by the principal product manufactured, as shown below. (SIC 314 is a composite of industries in 3142, 3143, 3144 and 3149).

SIC 3143 comprises establishments primarily engaged in the production of men's dress and casual shoes, boots and work shoes. Much of the footwear produced in this industry is primarily of leather.

SIC 3144 comprises establishments primarily engaged in the production of women's dress and casual shoes, sandals and boots. Much of the footwear produced in this industry is primarily of leather.

(Footnotes continued)

SIC 3142 comprises establishments primarily engaged in the production of house slippers made of leather or other materials. Slipper socks are included in this industry.

SIC 3149 comprises establishments primarily producing footwear not classified in the above industries or in SIC 3021 (rubber and plastic). Included in SIC 3149 are shoes for infants and babies, children, misses, youths and boys. Also included are athletic shoes (except footwear with fabric uppers and rubber or plastic soles), theatrical shoes, and beach slippers.

SIC 3021 comprises establishments making all-rubber or all-plastic footwear, or footwear with rubber or plastic soles galvanized to the fabric uppers. There are two basic types of footwear included: (1) fabric upper espadrilles, sneakers (with fabric uppers), specialties designed for leisure wear (not including slippers), etc.; (2) protective footwear including boots, arctics, rubbers, etc., designed to be worn as a protection against water, oil, chemicals, cold weather, etc.

SIC 3131 comprises establishments primarily engaged in manufacturing leather soles, inner soles, and other boot and shoe cut stock findings. This industry also includes finished wood heels. It does not include manufacturers of shoe findings made of rubber, plastic, or fiber.

** Value added by manufacture is derived by subtracting the cost of finished products, materials, supplies, fuel, contract work, etc., from the value of shipments (including resales of finished products) plus the net change in the value of finished products and work-in-process inventories between the beginning and end of the year, without adjustment for price changes.

*** Value of industry shipments represents the net selling values, f.o.b. plant, after discounts and allowances, and excluding freight charges and excise taxes. This value includes both products described as primary to the industry and secondary products, as well as miscellaneous receipts for contract work, resales, etc. Industry shipments should be clearly distinguished from the total value of footwear made by all producers (product shipments) which includes footwear made as a secondary product by manufacturers classified in other industries. Total product value is shown in the section on PRODUCT SHIPMENTS.

Spurce: U.S. Bureau of the Census, Census of Manufactures, 1977, 1982, (Industry Series MC82-1-30A, 31A).

Explanation of other terms used in this fact file:

Nonrubber footwear: Includes shoes, boots and slippers made by "conventional" processes, such as cemented, welted, slip-lasted, etc., and shoes with rubber sole vulcanized to leather uppers. (Footwear covered in SIC 314).

Rubber/plastic footwear: Footwear with rubber or plastic soles/fabric uppers and rubber or plastic protective footwear. (SIC 302).

Sizes:
Men's shoes: sizes 6 and over, including big boys; shoes.
Youths' and boys' shoes: sizes 12 1/2 to 5 1/2.
Women's shoes: sizes 4 and over including growing girls' shoes.
Misses' shoes: sizes 12 1/2 to 3 1/2.
Children's shoes: sizes 8 1/2 to 12, including little boys' shoes.
Infants' shoes: size 0 to 8.

GENERAL INDUSTRY STATISTICS

Employment & Earnings

Monthly information on employment and earnings by industry in the U.S. is compiled by the Monthly Bureau of Labor Statistics, U.S. Department of Labor. This data differs somewhat from the annual averages reported by the Census Bureau due to a difference in methodology in the compilation of figures.

The BLS data confirms the steady decline in activity in the U.S. footwear industry, which has accelerated in recent years. In the first five months of 1986, employment in the nonrubber footwear industry averaged 5.2% below the 1985 level in the same period. Employment in the men's segment (not including athletic footwear) in this span dropped 7.1%. Employment in January - May averaged 3.4% below comparable 1985 figures in the women's nonrubber footwear segment. In the rubber/plastics footwear industry, employment in this period averaged 12.8% below the level of the first five months of 1985.

For the year 1985, total employment in the nonrubber footwear industry in the U.S. averaged just under 100,000 compared with 114,700 in 1984 and down from 193,300 in 1972. The 1985 annual average was about 13% below the 1984 average. The sharpest drop was in the women's footwear segment, where total employment last year was more than 15% below the 1984 level, compared with a decline of less than 11% in employment in men's footwear plants. Employment in the rubber/plastics footwear industry in this period dropped almost 20%, and averaged less than 14,000 compared with the 32,000 average in this industry in 1972.

While the level of employment declined, average earnings by production workers showed a moderate rise. Overall, average weekly earnings in the nonrubber footwear industry in 1985 gained 3.3% compared with 1984; in the rubber/plastics industry, earnings were up 2.3%.

Trends in Employment Levels in the Footwear Industry
Annual Averages, Selected Years - 1972--1985
(In thousands)

	Total Industry		Men's Footwear*		Women's Footwear*	
	Total Employment	Production Workers	Total Employment	Production Workers	Total Employment	Production Workers
Nonrubber footwear industry:						
1972	193.3	168.3	63.8	54.8	86.6	75.9
1977	156.9	136.5	64.1	56.7	62.3	53.2
1982	135.1	115.1	54.8	45.3	51.4	44.8
1983	126.0	107.3	50.7	41.0	47.9	42.5
1984	114.7	97.5	48.0	38.9	42.2	37.1
1985	99.9	64.6	42.8	34.6	35.7	31.3
Rubber/plastics footwear industry:						
1972	32.0	29.0				
1977	24.2	20.9				
1982	18.8	16.2				
1983	16.7	14.1				
1984	16.4	14.0				
1985	13.4	11.3				

* Not including athletic footwear, which is, however, included in the total, along with slippers and other miscellaneous types of nonrubber footwear.

Source: U.S. Department of Labor, Bureau of Labor Statistics
Supplement to Employment & Earnings

GENERAL INDUSTRY STATISTICS

Employment & Earnings (continued)

Labor costs are cited as a major factor in the inability of U.S. manufacturers of footwear to compete with imports. The large capital investment needed to narrow the spread, especially in adopting robotics and other advanced technology, is beyond the means of smaller producers. This has lead to plant closings, while sparking consolidations among large producers. In the first six months of 1986, according to a member of Congress, Rep. Olympia Snowe (Maine), the footwear industry closed 32 factories and 6,200 jobs were lost, while imports gained another 14% of the market.

Hourly pay rates continue to rise in U.S. plants. In 1985 hourly earnings of production workers in nonrubber footwear plants averaged $5.53, up from $5.43 in 1984 and $5.27 in 1983. In men's footwear plants, the 1985 average was $5.86 an hour; in women's footwear, $5.30. Footwear Industries of America (F.I.A.) has compiled data on the share of the average factory price of a pair of shoes represented by labor costs. This took an upward turn in 1984, going to 25.7% from 22.2% in 1983.

Nonrubber Footwear Unit Labor Costs
1975-1984

Year	Wage/ Hour	Pairs/ Hour	Unit Labor Cost	Average Price/Pair	Labor Share %
1975	3.08	1.583	1.95	7.50	26.0
1976	3.28	1.516	2.16	8.28	26.1
1977	3.48	1.610	2.16	8.53	24.9
1978	3.75	1.581	2.37	9.20	25.8
1979	4.09	1.656	2.47	10.60	23.3
1980	4.42	1.656	2.67	12.00	22.3
1981	4.82	1.566	3.08	12.85	24.0
1982	5.12	1,709	3.00	13.43	22.3
1983	5.27	1.704	3.09	13.94	22.2
1984	5.43	1.609	3.37	13.13	25.7

Source: Compiled by F.I.A. from U.S. Department of Labor Bureau of Labor Statistics and U.S. Department of Commerce, Bureau of the Census data

Average Weekly Hours & Earnings of Production Workers, 1983-1985

	Employment (thousands)					
	Average Weeky Earnings			Average Weekly Hours		
	1985	1984(r)	1983(r)	1985	1984(r)	1983(r)
Nonrubber footwear, total*	$202.40	$196.02	$190.77	36.6	36.1	36.2
Men's (except athletic)	210.96	208.42	202.40	36.0	36.5	36.8
Women's, exc. athletic	195.57	187.07	185.24	36.9	35.7	35.9
Rubber/plastics footwear	215.08	210.26	196.08	37.8	39.3	38.0

Source: U.S. Department of Labor, Bureau of Labor Statistics
Supplement to Employment & Earnings

GENERAL INDUSTRY STATISTICS

Employment & Earnings (continued)

Monthly Pattern in Footwear Industry Production Worker Employment, 1985
Index: 1985 Monthly Average = 100)

	Nonrubber Footwear Industry*		Rubber/Plastics Footwear Industry
	Men's	Women's	
Year 1985	100.0	100.0	100.0
January	103.8	102.9	106.2
February	101.2	97.1	104.4
March	100.6	94.2	104.4
April	100.6	95.2	103.5
May	100.6	100.0	105.3
June	101.4	103.2	102.6
July	[illegible]	96.2	96.5
August	101.2	104.5	96.5
September	99.7	102.9	93.8
October	99.1	100.9	93.8
November	98.8	101.9	95.6
December	99.1	101.9	95.6

* Not including athletic footwear

Source: Based on Bureau of Labor Statistics reports.

Industry Concentration

According to the most recent figures issued by the U.S. International Trade Commission, an estimated 220 companies with 10 or more employees produced nonrubber footwear in the U.S. in 1984. Only 50 of these firms were publicly-owned corporations.

The USITC found that two-thirds of the producers make less than 1 million pairs annually and together account for less than 14% of total domestic production. In 1984, 20 producers, each with multi-plant operations, accounted for almost one-half of the industry's production, but these large producers did not increase their market share between 1980 and 1984. The largest single U.S. producer in 1984 accounted for about 8% of the domestic market and the twentieth-largest, only 1%. Faced with surging imports, most large U.S. producers have responded by closing plants, moving into shoe and specialty retailing, and importing their own brands of footwear.

From 1981 to 1985, 207 plants in the nonrubber footwear industry were closed. The largest number of closings -- 94 -- occurred in 1984, reducing the number operating to 459 at the end of the year. In the first half of 1986, 32 plants were closed.

Industry Concentration (continued)

The number of U.S. plants producing rubber and plastic footwear fell from 107 in 1972 to about 55 in 1984 and 50 in 1985. Of the 1984 total, protective footwear was produced in 10 plants; rubber or plastic soled/fabric upper footwear was produced in 45 plants. Imports account for the sharp decline in number of plants for the most part, as well as the overall drop in market demand and competition from aerobic footwear. U.S. manufacturers have reacted by concentrating on footwear types in which they are most competitive, diversifying where possible, and importing to fill out footwear lines. There are now reports in the market that demand is picking up for canvas-topped footwear from customers dissatisfied with the wearing qualities of soft leather shoes.

As part of the complete census of manufactures covering operations in 1982, the U.S. Census Bureau has compiled data on industry concentration levels, using various measurements. Looking first at multi-unit versus single-unit companies, as noted in the table below, most companies in reported segments of the footwear industry are single-plant operations. However, the multi-plant companies account for a large percentage of the value of shipments. In men's footwear, 38% of the companies (49 out of 129) are multi-plant operations. These companies operated about 61% of the plants making men's nonrubber footwear and account for 92.1% of industry shipments.

In women's nonrubber footwear, about 28% of the companies are multi-unit companies (58 out of 209), as of 1982. The multiunit operators had less than half of the plants (48.5%), but accounted for 76.4% of shipments.

In the rubber/plastics footwear industry, about 38% of the companies operated more than one plant and these companies accounted for 85% of industry employment, 88% of the value of industry shipments.

Type of Company (Multi-Units & Single Units), 1982

	No. of	Plants		Employees		Value of Industry Shipments	
	Companies	No.	%	Thous.	%	Thous. $	%
Nonrubber footwear							
Men's, except athletic	129	203	100.0	46.5	100.0	$2,261.4	100.0
Multiunit companies	49	123	60.6	41.7	89.7	2,082.7	92.1
Single-unit companies	80	80	39.4	4.8	10.3	178.8	7.9
Women's, except athletic	209	293	100.0	48.4	100.0	1,933.2	100.0
Multiunit companies	58	142	48.5	35.8	74.0	1,476.6	76.4
Single-unit companies	80	80	39.4	4.8	10.3	458.6	23.6
House slippers	53	62	100.0	7.5	100.0	275.8	100.0
Multiunit companies	13	22	35.5	3.6	48.0	156.6	56.8
Single-unit companies	40	40	64.5	3.9	52.0	119.2	43.2
Footwear, nec	167	193	100.0	19.1	100.0	798.9	100.0
Multiunit companies	33	59	30.6	13.5	70.7	619.1	77.5
Single-unit companies	134	134	69.4	5.6	29.3	179.8	22.5
Rubber/plastic footwear	53	65	100.0	17.6	100.0	706.2	100.0
Multiunit companies	20	32	49.2	14.9	85.1	618.9	87.6
Single-unit companies	33	33	50.8	2.6	14.9	87.4	12.4

nec not elsewhere classified

Source: U.S. Bureau of the Census, 1982 Census of Manufactures
Type of Organization, Subject Series MC82-S-5

GENERAL INDUSTRY STATISTICS

Industry Concentration (continued)

The Census Bureau has also compiled information on the value of industry shipments accounted for by the 50 largest companies in various segments of the footwear industry. It should be noted that a company can be counted in more than one segment of the industry. In the nonrubber footwear industry, the concentration level of shipments in 1982 compared with 1977 is much more pronounced among companies making women's footwear than men's footwear.

Share of Industry Shipments Accounted For By the Largest Manufacturing Companies, 1977, 1982

Industry	No. of Companies	Value of Shipments Total (mil. $)	% Share Accounted For by Largest Companies Top 4	Top 8	Top 20	Top 50
Nonrubber footwear						
Men's except athletic						
1982	129	$2,261.4	28	45	74	96
1977	115	1,734.5	31	46	73	95
Women's, except athletic						
1982	209	1,933.2	38	47	64	84
1977	243	1,361.2	29	39	56	79
House slippers						
1982	53	275.8	60	76	94	nr
1977	65	201.2	44	64	87	99
Footwear nec						
1982	167	798.9	26	41	68	93
1977	159	594.8	24	41	68	91
Rubber/plastics footwear						
1982	53	706.2	39	61	94	100
1977	67	517.0	58	73	95	99+

nr not reported
nec not elsewhere classified

Source: U.S. Bureau of the Census, 1982 Census of Manufactures, Concentration Ratios in Manufacturing, Subject Series MC82-S-7

In addition to 1982 Census data, the Census Bureau's annual County Business Pattern report provides information on the number of establishments by employment size for specific industries on a county and U.S. summary basis.

Industry Concentration (continued)

Establishments in the Footwear Industry By Employment-Size Class: 1983

	Nonrubber Footwear Industry		Rubber/Plasicts Footwear Industry	
	Estabs*	Employees	Estabs*	Employees
Total number in the U.S.	714	112,913	66	16,049
Employment size class:				
Under 10	148	nr	19	1,287
10 to 49	133	3,262	12	372
50 to 99	83	6,140	6	
100 to 999	345	95,384	25	8,297
1,000 or more	5	nr	4	6,093

* An establishment is a physical location (plant) where business is conducted or industrial operations performed which is in operation anytime during the year.

nr not reported to avoid disclosure of individual operations.

Source: U.S. Bureau of the Census
County Business Patterns 1983

Footwear Industry Statistics By Employment Size of Plant: 1982
(Employment in thousands)

	Plants		Employment		Value Added by Mfr.*		Value of Shipments	
Industry	No.	%	No.	%	Mil. $	%	Mil. $	%
Men's footwear, total	203	100.0	46.5	100.0	$1,101.4	100.0	$2,261.4	100.0
Plants with average employment of —								
1 - 19 employees	44	21.7	0.3	0.6	5.7	0.5	14.7	0.7
20 - 99 employees	34	16.7	1.9	4.1	29.3	2.7	66.3	2.9
100 or more employees	125	61.6	44.3	95.3	1,066.4	96.8	1,180.4	96.4
Women's footwear, total	293	100.0	48.4	100.0	1,107.0	100.0	1,933.2	100.0
Plants with average employment of—								
1 - 19 employees	67	22.9	0.5	1.0	11.4	1.0	19.2	1.0
20 - 99 employees	76	25.9	4.2	8.7	81.9	7.4	155.7	8.1
100 or more employees	150	51.2	43.7	90.3	1,013.7	91.6	1,758.3	90.9
House slippers, total	62	100.0	7.5	100.0	149.7	100.0	275.8	100.0
Plants with average employment of—								
1 - 19 employees	18	29.0	0.2	2.7	3.4	2.3	5.5	2.0
20 - 99 employees	22	35.5	0.8	12.0	18.7	12.4	32.4	11.7
100 or more employees	22	35.5	6.4	85.3	127.6	85.3	237.9	86.3
Athletic & other footwear, total	193	100.0	19.1	100.0	450.9	100.0	798.9	100.0
Plants with average employment of—								
1 - 19 employees	86	44.5	0.5	2.6	13.7	3.0	22.9	2.9
20 - 99 employees	45	23.3	2.2	11.5	44.9	10.0	73.5	9.2
100 or more employees	62	32.1	16.4	85.9	392.3	87.0	702.5	87.9

(continued)

GENERAL INDUSTRY STATISTICS

Industry Concentration (continued)

Footwear Industry Statistics By Employment Size of Plant; 1982
(Employment in thousands)
(continued)

	Plants		Employment		Value Added by Mfr.*		Value of Shipments	
Industry	No.	%	No.	%	Mil. $	%	Mil. $	%
Rubber/plastics footwear, total	193	100.0	19.1	100.0	450.9	100.0	798.9	100.0
Plants with average employment of—								
1 - 19 employees 20 - 99 employees	31	47.7	0.5	2.8	15.1	4.2	25.7	3.6
100 or more employees	34	52.3	17.1	97.2	345.0	95.8	680.5	96.4

* For an explanation of this term, see page 6.

Source: U.S. Bureau of the Census, 1982 Census of Manufactures, 1982 General Summary, Subject Series MC82-S-1 (Part 2)

Location of the Industry

Ranked on the basis of value added by manufacture, as well as value of industry shipments, Maine is the leading state in the U.S. nonrubber footwear industry. This State accounted for 14.9% of the value added and 14.4% of the value of industry shipments in 1982. Missouri ranked second; Tennessee, third.

While New York State had the largest number of plants classified in the industry (87), it ranked sixth in terms of value added by manufacture in its nonrubber footwear industry plants and in value of industry shipments.

Leading States in the Manufacture of Nonrubber Footwear, 1982
(Ranking based on value added by manufacture)

	No. of Plants			Valued Added By Manufacturer		Value of Shipments	
	Total	With 20+ Employees	Employees (thous.)	Mil. $	%	Mil. $	%
Nonrubber footwear industry, total	751	536	121.4	$2,808.9	100.0	$5,269.3	100.0
Leading states:							
Maine	60	50	15.5	420.1	14.9	758.1	14.4
Missouri	51	45	13.6	233.5	11.9	582.5	11.0
Tennessee	36	35	10.8	278.1	9.9	478.5	9.1
Massachusetts	62	47	9.1	230.0	8.2	414.0	7.9
Pennsylvania	73	64	11.2	220.7	7.9	434.9	8.2
New York	87	49	7.4	151.4	5.4	284.5	5.4
Wisconsin	25	22	4.0	110.7	3.9	226.6	4.3
New Hampshire	33	26	6.2	106.5	3.8	213.3	4.0
Arkansas	22	21	5.8	103.0	3.7	196.0	3.7
Texas	40	22	6.0	102.9	3.6	280.2	5.3

Source: U.S. Bureau of the Census, 1982 Census of Manufactures Subject Series MC82-1 (Part 1)

GENERAL INDUSTRY STATISTICS

Location of the Industry (continued)

In 1985, a total of 52 U.S. footwear factories were closed, according to Footwear Industries of America, the industry association. In the 1980-1984 period, 243 plants were closed and 77 were opened, for a net loss of 166 plants. Maine accounted for 23 of these closings; Missouri, 16 -- the two leading States measured in terms of value added by manufacture (not counting the cost of purchased materials), according to the 1982 cenus.

Net Closings of U.S. Footwear Plants, 1980-1984

	Closed	Opened	Net Change
1980	26	10	16
1981	38	19	19
1982	33	10	23
1983	42	18	24
1984	104	20	84

Source: Footwear Industries of America

MANUFACTURERS' OPERATIONS

The gains made by U.S. footwear manufacturers in 1983 were reversed in 1984, and the downtrend continued in 1985, according to an analysis of operating results of publicly owned footwear companies by Kurt Salmon Associates. Higher expenses, too much inventory, and imports contributed to the disappointing performance.

Sixteen manufacturer/resource companies were separately profiled in the KSA industry analysis, of which only five derive 100% of their sales from manufacturing footwear in the U.S. All the other firms in the Profile import some or all of their lines, or combine manufacturing/sourcing with retailing, or do business in other product areas in addition to footwear.

In fiscal 1985, sales of the 16 companies dropped 4.1% compared with 1984, while net income plummeted 95%. Net after-tax income on sales was less than one percent of the group. Not included among the 16 companies, but separately analysed, are three athletic footwear manufacturers. This group did better, with a 17.7% gain in sales in 1985 compared with 1984, but composite profits were down 14%. The three athletic companies included Nike, Converse and Reebok. Reebok, which sources entirely abroad, was the stellar performer, accounting for 20% of the group's sales and 75% of its profits.

Composite Footwear Industry Segment Results, 1984, 1985

	Manufacturers/Resources		Athletic Footwear Manufacturing	
	1985	1984	1985	1984
Number of firms	16	16	3	3
Sales (millions)	$1,373.7	$1,432.6	$1,473.3	$1,251.4
Net income	$1.3	24.0	$52.9	$61.3
Net after-tax income on sales	.09%	1.68%	3.59%	4.90%
Return on total equity	.27%	5.04%	11.96%	16.82%
Gross Profit	28.52%	29.31%	30.04%	29.89%

Source: Kurt Salmon Associates, Inc., The KSA Perspective (June 1986)

MANUFACTURERS' OPERATIONS

According to a study by the U.S. International Trade Commission (USITA), operating income and pre-tax income margins among nonrubber footwear producers in the U.S. between 1980-1984 showed a drop in 1984.

Nonrubber Footwear Producers' Operating Margins, 1980-1984

Year	Operating Income Margins	Pre-tax Income Margins
1980	9.1%	8.4%
1981	10.1	9.5
1982	8.0	7.3
1983	8.7	8.2
1984	5.8	5.3

Source: USITA

A detailed analysis of sales and operating results in the footwear industry was published in Footwear News (July 7, 1986). Sales and net profit results for publicly-owned companies classified as footwear resources (although they may also be engaged in retailing or other manufacturing) are summarized below for the latest fiscal period. The 365% sales gain registered by Reebok (which is engaged in the manufacture of activewear as well as the design, development and marketing of athletic footwear sourced overseas) had a great effect on the overall performance of the footwear industry last year.

Sales & Profits of Leading Publicly-Held Footwear Manufacturers, 1984, 1985

	Sales & Other Income			Net Profit (Loss)		
	Millions of $		% Change	Millions of $		% Change
	1985	1984	1985/84	1985	1984	1985/84
U.S. Shoe Corp.	$1,920.0	$1,717.4	+ 11.8%	$ 64.9	$ 53.4	+21.4%
Nike Inc.	946.4	919.8	+ 2.9	10.3	40.7	- 74.8
Wolverine World Wide	389.5	378.6	+ 2.9	4.0	2.1	+ 85.6
Reebok Intl. Ltd.	307.0	66.0	+364.9	39.0	6.1	+534.0
Stride Rite Corp.	277.3	289.5	- 4.2	11.2	5.4	+106.2
Converse, Inc.	219.9	265.6	- 17.2	3.7	14.5	- 74.3
Weyenberg Manufacturing	111.5	108.4	+ 2.8	4.8	4.3	+ 11.0
R.G. Barry	95.7	120.2	- 20.4	(0.9)	0.1	--
Craddock Terry	85.0	83.4	+ 2.0	1.3	(1.8)	--
Suave Shoe Corp.	84.0	96.4	- 12.9	(5.4)	(0.3)	--
The Cherokee Group	83.6	72.4	+ 15.5	4.3	3.1	+ 39.6
Amfesco Industries, Inc.	69.5	81.9	- 15.2	18.7	10.6	--
Tony Lama Co., Inc.	67.3	78.9	- 14.8	(0.5)	2.8	--
Hyde Athletic Industries	54.7	47.3	+ 15.7	(0.5)	2.7	--
B.B. Walker Co.	39.3	42.6	- 7.7	(0.5)	0.2	--
Shaer Shoe Corp.	27.6	27.9	- 1.3	1.9	2.4	- 19.8
Daniel Green Co.	24.5	25.6	- 4.0	1.7	2.1	- 17.7
Wellco Enterprises, Inc.	13.0	10.2	+ 27.9	1.1	(2.6)	--
Penobscot Co.	11.8	12.6	- 6.3	0.3	0.4	- 22.0
Total above companies	4,827.9	4,444.8	+ 8.6	121.7	146.5	- 16.9

Note: Sales and profit figures include the companies' total operations, including the manufacture or sale of products other than footwear. For example, footwear wholesale and retail business represented 43% ($828.5 million) of 1985 total sales reported for U.S. shoe Corp., and this business was up only 2.1% compared with 1984.

Source: Footwear News, July 7, 1986.

MANUFACTURERS' OPERATIONS

Large footwear retailers, including the Brown Group and U.S. Shoe, are diversifying their operations by getting involved in manufacturing and supplying their own outlets. This parallels the trend among manufacturers to diversify their operations by getting into importing and retailing, as in the case of G.H. Bass.

Athletic Footwear Manufacturers

The U.S. sports shoe industry has grown from $1.3 billion at wholesale in 1981 to $2.2 billion in 1985 a 70% increase. According to the Sporting Goods Manufacturing Association (SGMA), athletic footwear accounts for about 19% of the domestic sporting goods industry. Profitability in 1985 for the group as a whole averaged about 3%. The star performer, Reebok, achieved a 25.4% return on sales. Reebok's sales of footwear in 1985 gained 370% over the 1984 total, reaching $307 million compared with 65.3 million in 1984. At mid-year the company was projecting total sales of $800 for 1986, as it expanded its footwear, apparel and international operations.

Reebok pioneered the aerobics shoe business and revenues from that segment grew by 260% in 1985, accounting for 42% of Reebok's total sales (compared with 55% in 1984). Their share of the total market for tennis shoes has gained, as well as for men's fitness shoes (now representing 15% of company sales). Recent successful introductions include children's athletic footwear, and basketball shoes (the single largest category in the U.S. athletic footwear market, with an estimated $750 million in annual wholesale volume).

In 1985, about 7% of all athletic shoes sold in retail outlets covered in industry research by Sports Marketing and Retail Technology, Inc. (SMART)in 1985 was classified as aerobics footwear, and Reebok held a 90% share of this market. A related category, fitness shoes, represents about 3% of the total market, and Reebok holds a 90% share of business in this category. Both aerobic shoe and fitness shoe markets are expected to expand substantially -- especially fitness walking shoes, but competition from other manufacturers is intensifying.

Reebok Sales By Product Line: 1984, 1985

	Millions of Dollars		Percent	
	1985	1984	1985	1984
Aerobics	$130.4	$ 36.1	42.5%	54.8%
Tennis	88.4	17.3	28.8	26.3
Fitness	50.0	5.4	16.3	8.2
Running	16.2	4.9	5.3	7.5
Children's	12.8	0.4	4.1	0.5
Other	9.2	1.2	3.0	2.7
Total	307.0	65.3	100.0	100.0

In September 1986, Reebok announced plans to reorganize the company into three major divisions: Apparel, Footwear and Reebok International. Later that month, Reebok International Inc. announced plans to buy closely-held Rockport Co. of Marlboro, Mass., a leading producer of shoes for fitness and walking. Reebok will now have a bigger stake in this fast-growing market, which it will augment by bringing out its own line of walking shoes, as well as multi-purpose fitness shoes. Rockport, was expected to report sales of about $105 million for 1986, compared with $64 million in 1985. The company's annual growth has averaged 43% in the last 5 years and was up 63% last year compared with 1984. It will be operated as a wholly-owned subsidiary of Reebok.

MANUFACTURERS' OPERATIONS

Athletic Footwear Manufacturers

The walking shoe market is now being targeted by a number of athletic footwear makers. The forerunners in the market -- Rockport, Clarks of England, and Lowell Shoe Co. -- face a market demanding more sophisticated styling due to competition from high-tech athletic producers such as New Balance and Nike, which are offering biomechanically-designed walking shoes. Adidas is the major exception in the move of athletic footwear manufacturers into walking shoes.

Rockport is expanding its offerings to include shoes that will combine features of walking and running shoes. The combination of Reebok and Rockport will be a dominant force in the walking shoe market.

The athletic footwear market has become increasingly segmented, and no one manufacturer can hope to dominate across the board. Competition is increasing, segment by segment, with some product types now suffering from over supply.

The overall leading athletic footwear brand is Nike, with its core business in running, basketball, tennis, football and children's shoes, plus newer offerings in golf, soccer, and walking shoes. Together with other makers, special attention is being paid to the wants and needs of women in the athletic footwear area, as an increasing number of women participate in sports and fitness activities.

Total sales of Nike footwear in the U.S., in fiscal year ended May 31, 1986, amounted to $649.5 million, representing a gain of 14.5% over the 1985 period. This followed the 11.3% decline in sales in 1985 compared with the 1984 fiscal year.

Nike Footwear Sales by Product Line, Year Ended May 31, 1985, 1986

	Millions of Dollars		Percent	
	1985	1984	1985	1984
Basketball	$212.6	$153.2	32.7%	27.0%
Running	150.0	163.6	23.1	28.8
Children's	115.4	101.0	17.8	17.8
Racquet	68.5	76.0	10.5	13.4
Fitness	54.1	13.8	8.3	2.4
Field sports	35.4	38.1	5.5	6.7
Other	13.5	21.7	2.1	3.8
Total footwear	649.5	567.4	100.0	100.0

The popularity of running and of tennis have each taken a downturn. As a result, sales of Nike running shoes in the period ending May 1986 were 8.3% below the comparable 1985 results and 37.5% lower than in 1984. Racquet shoe volume registered a drop of 9.9% compared with the fiscal year ending May 31, 1985, and were down 15.8% compared with 1984. Nike, however, is still committed to developing new products for these markets.

Athletic Footwear (continued)

Reebok and Nike made gains in overall sales of athletic footwear last year. However, the general softness and oversupply in the total market, plus the fast growth of Reebok, resulted in declines among other producers whose lines did not include the fastest-growing athletic shoe types. Sales of Converse, for example, totaled $219.9 million in 1985, down 17.2% compared with the 1984 total of $265.6 millioni. Return on sales dropped to 0.9% in 1985 from 9.1% in 1984. (In August 1986, Converse agreed to be acquired by Interco, St. Louis-based apparel and footwear conglomerate).

While Hyde managed a gain of 15.6%, on sales rising from $47.3 million in 1984 to $54.7 million in 1985, return on sales dropped to -2.4% compared with 9.7% in 1984.

According to SGMA, licensing of branded athletic footwear has had some effect on profitability of athletic footwear resources, but this may be short range.

Athletic footwear designed specifically for children is a growing market which established manufacturers and newcomers are actively pursuing. Reebok will introduce its Weeboks line for infants and children in the spring of '87. Nike's children's business was up 14% in the year ending May 1986. Nike will bring out more fashion features and colors, along with technical improvements. Ellesse will enter the market in the spring '87 with three different types of children's athletic footwear designed for the upscale market.

EXPENDITURES FOR R&D, TECHNOLOGICAL IMPROVEMENTS

In 1983, the FIA completed a survey of the state of the art in footwear manufacturing to identify priorities and strategies required to bolster the sagging U.S. industry in the face of imports. The study, and later analyses, concluded that the cost gap could be narrowed through the adoption of advanced technology, as well as improved management and operating systems.

Expenditures on research and development, as well as on manufacturing systems and equipment have increased substantially in recent years in terms of current dollars.

Nonrubber Footwear Producer Expenditures, 1980, 1983, 1984
(Thousands of dollars)

	1984	1983	1980	% Change 1984/1980
Research & development expends.				
Nonathletic footwear	$17,130	$14,654	$10,181	+ 68.2
Athletic footwear	4,585	2,884	842	+444.5
Technological improvements, total	26,511	15,578	10,912	+143.0
Computer-aided design & grading system	1,283	178	33	+3787.8
Cutting systems	76	0	0	
Computer-aided stitching	4,576	2,362	1,989	+130.1
Stitching room work aids	1,895	1,229	828	+128.9
Injection molding	5,445	3,308	3,136	+ 73.6
Unit bottom molding equipment	1,027	1,033	1,241	- 17.2
Other cost-saving investments	12,209	7,468	3,685	+231.3

Source: Footwear Industries of America and U.S. International Trade Commission.

ADVERTISING EXPENDITURES

According to an analysis of 10-K reports filed by publicly owned companies with the Securities & Exchange Commission, advertising expenditures represented 4.5% of the total sales of companies which are primarily in the business of manufacturing nonrubber footwear. This compares with a 3.8% share reported in a similar study for 1984, and 3.0% in 1980. Included in the figures are all expenditures classified as "advertising expense" by the reporting company, and is subject to differences in classification systems. It includes media and nonmedia advertising and production costs.

Nonrubber Footwear Industry Advertising Expenditures: 1981-1985

	Ad Dollars As % of Sales	Ad Dollars As % of Margin*	Ad Dollars Annual Growth Rate %
1985	4.5%	12.2%	4.5%
1984	3.8	10.4	7.8
1983	3.0	8.5	6.5
1982	3.0	7.9	5.9
1981	3.0	8.2	nr

nr not reported
* Margin is net sales less cost of goods sold.

Source: Pansophic Systems and Schoenfeld & Associates
(Advertising Age)

MARKET SUPPLY

According to monthly reports compiled by the U.S. Bureau of the Census, in the first seven months of 1986, production of nonrubber footwear in the U.S. declined 11.1% compared with the total in the same 1985 period. The sharpest drop (-25.6%) was in athletic footwear. In the month of July, according to preliminary figures, total nonrubber footwear production was off 11.7% compared with July 1985. However, this was an improvement over the 21.1% decline registered in May, and the 18.3% decline in production in the month of June 1986.

A Department of Commerce spokesman commented that declines would probably continue for the balance of the year, possibly running at a rate of 10%. At that rate, production for the year would be 26 million to 27 million pairs below the 265 million produced last year.

Percent Change in U.S. Production of Nonrubber Footwear, January-July 1986/85

	Percent Change January-July 1986/85
Nonrubber footwear, total	- 11.1%
Men's	- 8.0
Women's	- 16.6
Juvenile	- 7.5
Athletic	- 25.6
All other nonrubber shoes	+ 22.9
Slippers	- 7.8

Source: Based on U.S. Bureau of the Census
Current Industrial Reports

MARKET SUPPLY

Included in the Current Industrial Reports on footwear is an overview of the supply of footwear in the U.S. from 1971-1985. In this period, total annual new supply (or apparent consumption) increased from 802.3 million pairs to 1,096.8 million -- a gain of 36.7%. U.S. production, however, delined 50.4%, while imports were up 213.7%.

According to the latest published data on market supply, for the first six months of 1986, market supply was up 7.9%, in the face of an 11% decline in domestic production of nonrubber footwear and a 14% rise in imports. In the month of June, imports had shown a decline of 2.7%, but this was reversed in July when imports skyrocketed to the highest monthly volume in history, gaining 24.2% over the July 1985 total.

Nonrubber Footwear Supply in the U.S.
Selected Years, 1971-1985, Jan-June 1986
(Millions of pairs)

Year	Domestic Production	Exports	Imports	Total New Supply*
Jan.-June 1986	120.9	5.9	491.5	606.5
1985	265.5	11.3	842.6	1,096.8
1982	359.1	8.9	479.5	829.7
1980	366.3	12.8	361.0	734.5
1977	418.4	5.4	360.0	773.0
1975	413.1	4.6	319.4	727.9
1973	490.0	3.6	317.2	803.6
1971	535.8	2.1	286.6	802.3

* Also referred to as "Apparent Consumption" in published reports.

Source: U.S. Bureau of the Census,
Current Industrial Reports (MA31A)

PRODUCTION

Total production of footwear of all types in the U.S. in 1985 amounted to 320.8 million pairs, down 12.3% compared with 1984. Production of nonrubber shoes and boots totaled 211.0 million pairs, 13.4% below the 1984 total; output of nonrubber slippers delcined 8.4%.

A general softness in the market for athletic footwear, and increasing imports, resulted in a 15.2% decline in production of nonrubber athletic footwear. Court shoe production registered the sharpest drop -- almost 39%, while there was a pickup in production of running/jogging shoes.

Footwear with fabric uppers, rubber or plastic soles (not including protective footwear) declined 11.8% in production in 1985 compared with 1984; output of protective footwear by U.S. producers was down 6.1%.

PRODUCTION

U.S. Production of Footwear By Type: 1983-1985
(Thousands of pairs)

	1985(p)	1984(r)	1983	% Change 1985/84	% Change 1984/83
Footwear, total (nonrubber & rubber/plastic not including protective footwear)	320,857	365,999	417,236	- 12.3%	- 12.3%
Nonrubber footwear, total	265,474	303,174	339,182	- 12.4	- 10.6
Shoes, athletic footwear, boots	211,053	243,759	281,490	- 13.4	- 13.4
Men's (except athletic)	63,859	72,273	75,617	- 11.6	- 4.4
Dress & casual shoes	37,357	43,273	47,352	- 13.7	- 8.6
Boots, dress & casual	9,569	10,238	10,639	- 6.5	- 3.8
Western style boots	6,241	7,297	7,220	- 14.5	+ 1.1
Work oxfords	3,095	3,675	17,646	- 15.8	- 79.1
Steel toes	831	882	5,642	- 5.8	- 84.4
Work boots	13,670	14,896		- 8.2	
Steel toes	3,765	4,606		- 18.3	
Type not specified	168	191	--	- 12.0	
Youths' & boys' (except athletic)	4,543	6,669	8,983	- 31.9	- 25.8
Boots	227	172	441	+ 32.0	- 61.0
Women's (except athletic)	95,697	113,282	133,684	- 15.5	- 15.3
Sandals	10,018	13,673	18,198	- 26.7	- 24.9
Dress & casual, except sandals	76,763	91,706	106,773	- 16.3	- 14.1
Uniform duty shoes	132	48	nr	+175.0	--
Boots, ankle height or higher	8,784	7,855	8,713	+ 11.8	- 9.8
Western sytle boots	571	578	nr	- 1.2	--
Misses' (except athletic)	4,399	4,880	7,676	- 9.8	- 36.4
Boots	41	91	nr	- 54.9	--
Children's (except athletic)	7,928	9,414	10,518	- 15.8	- 10.5
Boots	761	629	917	+ 21.0	- 31.4
Infants' & babies' shoes	21,082	19,886	21,451	+ 6.0	- 7.3
Athletic shoes	10,813	12,760	18,307	- 15.2	- 30.3
By type:					
Court shoes	1,140	1,862	nr	- 38.8	--
Running or jogging shoes	5,051	4,733	nr	+ 6.7	--
Cleated shoes except golf	nr	9	nr	--	--
All other	4,622	6,156	nr	- 24.9	--
By sex:					
Men's	4,633	5,796	nr	- 20.1	--
Women's	2,705	3,496	nr	- 22.6	--
Youth's, children's	3,475	3,468	nr	+ 0.2	--
All other nonrubber footwear (ballet slippers, etc.)	2,732	4,595	5,254	- 40.5	- 12.5
Slippers	54,421	59,415	57,692	- 8.4	+ 3.0
Men's, youths', boys'	7,808	9,269	9,309	- 15.8	- 0.4
Women's, misses'	42,037	44,589	42,222	- 5.7	+ 5.6
Children's, infants'	4,576	5,557	6,161	- 17.6	- 9.8

(continued)

U.S. Production of Footwear By Type: 1983-1985
(Thousands of pairs)
(continued)

				% Change	
	1985(p)	1984(r)	1983	1985/84	1984/83
Rubber/plastics footwear (fabric upper), total (excl. protective)	55,383	62,825	78,054	- 11.8	- 19.5
Espadrilles	899	1,263	1,287	- 28.8	- 1.9
Fabric upper cement process	4,312	5,389	7,066	- 20.0	- 23.7
All other fabric upper shoes	50,172	56,173	69,701	- 10.6	- 19.4
Vulcanized	11,294	12,617	15,536	- 10.5	- 18.8
Other, incl. injection molded	38,878	43,556	54,165	- 10.7	- 19.6

U.S. Production of Rubber & Plastic Protective Footwear: 1983-1985
(Thousands of pairs)

				% Change	
	1985(p)	1984(r)	1983	1985/84	1984/83
Protective footwear, total	16,453	17,518	15,459	- 6.1%	+ 13.3%
Rubber upper protective footwear	8,079	9,331	8,242	- 13.4	+ 13.2
Boots	3,989	3,560	3,514	+ 12.0	+ 1.3
Lumberman & pacs	nr	nr	nr	--	--
Artics & gaiters	1,551	2,379	1,884	- 34.8	+ 26.3
Light & heavy rubbers	nr	nr	nr	--	--
Plastic upper protective footwear	5,477	5,138	4,916	+ 6.6	+ 4.5
Slush molded	2,303	2,811	3,072	- 18.1	- 8.5
Injection molded	3,174	2,329	1,844	+ 36.2	+ 26.3
Fabric upper protective footwear/ Plastic sole	2,897	3,047	2,301	- 4.9	+ 32.4

(p) preliminary (r) revised nr not reported

Source: U.S. Bureau of the Census, Current Industrial Reports (MA31A)

Seasonal Pattern in Production

Percent of Year's Total Production of Nonrubber Footwear by U.S. Manufacturers, by Months, 1985

	Nonrubber Footwear Total*	Men's Except Athletic	Women's Except Athletic	Children's (not incl. Infants)	Athletic	Slippers
Total, thousands of pairs	211,053	62,859	95,697	7,928	10,813	54,421
Percent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
January	8.6	8.8	8.0	8.6	11.0	8.1
February	8.2	8.5	7.6	9.2	7.7	6.7
March	8.5	8.8	7.6	8.8	8.5	7.7
April	8.3	8.6	8.0	7.2	8.6	8.6
May	9.1	9.0	8.8	9.1	9.8	10.6
June	7.5	7.6	7.1	7.9	8.8	9.6
July	7.5	6.2	8.8	8.8	6.1	7.2
August	9.1	9.0	9.8	7.5	8.8	9.7
September	8.4	8.2	8.9	7.4	7.2	8.8
October	9.2	9.7	9.5	8.4	8.4	9.8
November	7.9	8.2	7.9	7.7	7.4	8.2
December	7.6	7.2	7.9	9.5	7.5	4.9

* Includes other nonrubber footwear not separately reported.

Source: Based on U.S. Bureau of the Census, Current Industrial Reports.

PRODUCTION

Leading States

Pennsylvania is the leading state in the production of nonrubber footwear in the U.S., accounting for 14% of the total in 1985. In second place is the State of Missouri with a 12% share, followed by Maine, which accounted for 9.6% of production last year.

Among the leaders, Maine registered the sharpest drop in footwear output, registering a decline of almost 26% compared with 1984. Production in Pennsylvania was off 4.7%, and in Missouri, 10.3%.

Production of Nonrubber Footwear in Leading States: 1984, 1985
(Thousands of pairs)

	1985	1984	% Change 1985/1984
U.S. total*	265,474	303,174	- 12.4%
Arkansas	12,247	11,915	+ 2.8
California	4,748	7,027	- 32.4
Florida	12,262	12,577	- 2.5
Georgia	2,760	3,680	- 25.0
Illinois	4,855	5,113	- 5.0
Maine	25,424	34,194	- 25.6
Massachusetts	17,472	18,472	- 5.4
Missouri	31,985	35,660	- 10.3
New Hampshire	8,797	11,502	- 23.5
New York	15,157	20,665	- 26.6
North Carolina	5,356	6,644	- 19.4
Pennsylvania	36,746	38,552	- 4.7
Tennessee	15,712	21,098	- 25.5
Texas	17,806	15,961	+ 11.6
Wisconsin	7,007	7,430	- 5.7

* Includes states not separately listed.

Source: U.S. Bureau of the Census,
Current Industrial Reports MA31A

Materials

The footwear industry is the U.S. tanning industry's largest market, consuming about 60% of 1985 leather shipments. While the percent of all nonrubber footwear production in the U.S. which have leather uppers remained unchanged at about 55%, in 1985, the quantity of leather produced for footwear production delined along with the drop in footwear output. Consumption of sole leather was down about 20% according to the International Trade Administration.

Use of leather for uppers accounted for a larger share of total output of some classifications of shoes/boots in 1985, particularly in athletic footwear. Consumer demand for soft-leather-upper athletic footwear, for aerobics and other wear, is reflected in the gain in the percent of athletic footwear with leather uppers from 46.4% in 1983 to almost 53% in 1985.

PRODUCTION

Materials (continued)

U.S. Nonrubber Footwear Production By Materials In Uppers: 1982, 1983, 1985
(Shoes, Boots, Slippers)

	1985		1983		1982	
	Mil. Pairs	%	Mil. Pairs	%	Mil. Pairs	%
Total production	265.5	100.0	339.2	100.0	359.1	100.0
Type of upper:						
Leather	145.3	54.7	187.1	55.2	196.3	54.7
Plastic (vinyl)	58.6	22.1	74.6	22.0	87.3	24.3
Other	61.6	23.2	77.5	22.6	75.5	21.0

Source: Based on U.S. Bureau of the Census reports

Share of U.S. Production of Selected Types of Nonrubber Shoes & Boots Which Have Leather Uppers: 1982, 1983, 1985

	Percent of Total Production of Each Type		
	1985	1983	1982
Shoes & boots with leather uppers*	67.2%	65.3%	63.1%
Men's (except athletic)	93.2	90.2	89.9
Women's (except athletic)	58.3	56.7	54.6
Athletic	52.6	46.4	43.4

* Includes types not separately listed (children's, youths', etc.) but not slippers.

Source: Based on U.S. Bureau of the Census reports

The total apparent consumption (or total supply) of footwear in the U.S., including domestic supply and imports, confirms the increase in footwear with leather uppers -- particularly due to imports of aerobic footwear which has been garnering an expanding share of the U.S. market at the expense of fabric-upper, rubber or plastic sole footwear.

Total U.S. Apparent Consumption of Footwear By Major Material Type, 1982, 1983, 1985
(Pairs are in millions)

	1985		1983		1982	
	Pairs	%	Pairs	%	Pairs	%
Total footwear	1,264.9	100.0	1,119.9	100.0	1,045.0	100.0
Shoes & slippers (nonrubber)	1,096.7	86.7	911.9	81.4	829.8	79.4
Leather footwear	583.9	46.2	453.4	40.5	407.2	39.0
Plastic footwear	512.8	40.5	259.7	23.2	260.8	25.0
All other			198.7	17.7	161.7	15.5
Footwear with rubber or plastic soles, fabric uppers	139.3	11.0	179.5	16.0	190.6	18.2
Rubber & plastic protective footwear	28.9	2.3	28.5	2.5	24.6	2.4

Source: U.S. Bureau of the Census, Current Industrial Reports

PRODUCT SHIPMENTS

In contrast with "industry shipments", which have been covered in the section on GENERAL INDUSTRY STATISTICS, and defined on page 4, product shipments cover the value of specific products made by all manufacturers with payroll, including those classified in the footwear industry (which are primarily producers) and those classified in other industries which are secondary producers.

The complete census of manufactures compiled every five years by the U.S. Bureau of the Census includes information on product shipments by all U.S. manufacturers with payroll. The most recent census data is for the year 1983. Comparable figures for intercensal periods are compiled by the Census Bureau through annual surveys among a sample of manufacturers in the U.S. Based on both reports, the U.S. International Trade Administration compiles annual estimates and projections, published in the annual Industrial Outlook, in terms of current and constant dollars.

In addition to the above, the U.S. Census Bureau issues monthly and annual reports on production and shipments of footwear based on all manufacturers of nonrubber and rubber/plastics footwear in the U.S. and including footwear cut in the U.S., shipped to a foreign country for assembly, then shipped back to the U.S. under the special imports category referred to as 807 (part of the Tariff Schedules of the United States). These reports are in the Census Bureau's Current Industrial Reports series. They provide greater product detail than available from the USITA and Annual Survey of Manufactures reports.

Trends in Product Shipments & Total Supply in the Nonrubber Footwear Industry

	Compound Annual Rate of Growth		Percent Change (e)	
	1972 1982	1977- 1982	1985/ 1984	1986/ 1985
Nonrubber footwear				
Value of shipments				
Current dollars				
Total value	+ 4.6%	+ 5.8%	- 16.3%	--
House slippers	+ 5.2	+ 6.9	- 6.3	--
Men's footwear	+ 5.3	+ 4.4	- 10.9	--
Women's footwear	+ 4.0	+ 7.5	- 24.6	--
Footwear nec (athletic, etc.)	+ 4.3	+ 4.9	- 13.0	--
Constant 1982$				
Total value	- 2.6	- 2.2	- 17.2	- 3.8%
House slippers	- 1.5	0.0	- 7.3	- 2.0
Men's footwear	- 3.1	- 3.9	- 12.4	- 2.0
Women's footwear	- 2.6	- 0.9	- 24.8	- 5.0
Footwear nec	- 1.6	- 1.4	- 14.4	- 6.9
Quality shipped, total	- 4.4	- 3.7	- 16.6	- 3.9
House slippers	- 4.6	- 4.5	- 7.3	- 2.0
Men's footwear	- 4.4	- 6.0	- 12.5	- 1.6
Women's footwear	- 4.1	- 1.4	- 24.8	- 4.5
Footwear nec (athletic, etc.)	- 4.8	- 4.4	- 14.3	- 7.4
Supply				
Value of imports	+16.8	+21.1	+ 11.4	--
Import/new supply ratio*	+ 8.4	+ 9.8	+ 14.0	--
Quantity of imports	+ 4.9	+ 5.4	+ 11.6	--
Value of exports	+26.5	+23.5	+ 7.7	--
Export/shipment ratio	+20.9	+16.8	+ 28.7	--
Quantity of exports	+14.5	+10.5	+ 29.2	--

(e) estimated
* New supply is the sum of the value of product shipments plus imports.

Source: U.S. Department of Commerce: Bureau of the Census,
Bureau of Economic Analysis, International Trade Administration

PRODUCT SHIPMENTS

Value of Footwear Shipments By U.S. Producers, 1982-1984
(Millions of dollars)

	1984	1983	1982	% Change 1984/1982
Footwear, total	$5,136.5	$5,597.7	$5,615.0	- 8.5%
Nonrubber footwear	4,575.9	4,972.4	4,952.4	- 7.6
House slippers	225.2	241.3	265.3	- 15.1
Men's, except athletic	2,021.5	2,034.4	1,971.2	+ 2.5
Work shoes, boots	540.7	544.3	565.5	- 4.4
Dress & casual boots	446.1	424.4	446.1	0
Dress & casual shoes	1,003.8	1,037.8	940.0	+ 6.8
Type not specified	31.0	27.8	19.6	+ 58.2
Women's, except athletic	1,660.1	1,979.2	1,994.1	- 16.7
Boots	187.3	240.9	219.2	- 14.5
Sandals	149.9	215.5	225.9	- 33.6
Dress shoes	586.4	637.9	649.0	- 9.6
Other shoes	698.1	815.3	860.8	- 18.9
Type not specified	38.4	69.6	39.2	- 2.0
Youths' & boys'	58.2	81.1	89.2	- 34.7
Infants' & babies'	126.8	127.5	121.1	+ 4.7
Children's shoes	124.8	135.8	137.3	- 9.1
Misses' shoes	58.5	64.5	77.3	- 24.3
Athletic & other footwear, nec	244.9	274.6	257.2	- 12.5
Type not specified	75.9	34.0	39.7	+ 91.1
Rubber/plastics footwear:				
Protective footwear	152.7	136.9	121.8	+ 25.4
Shoes with rubber or plastic soles, fabric uppers	397.7	484.1	536.1	- 25.8
Type not specified	10.2	4.3	4.7	+117.0

Note: Covers value at the plant. Shipping charges are not included.

nec not elsewhere classified

Source: U.S. Bureau of the Census: 1982 Census of Manufactures, Annual Survey of Manufactures

Based on a survey of all known manufacturers of footwear in the U.S. (approximately 475 firms) and estimates from small producers based on 1982 Census of Manufactures data, the Census Bureau has issued figures on footwear shipments in 1985 compared with 1984. As previously noted, the figures include footwear produced under the 807 provisions of the Tariff Schedules.

The estimated value of shipments of nonrubber footwear in 1984 is somewhat lower in the Census Bureau's CIR ($4,426.1 million) than the total reported in the Annual Survey of Manufactures ($4,972.4 million). However, figures for rubber/plastics footwear are higher.

PRODUCT SHIPMENTS

Quantity & Value of Shipments of Footwear By All Producers, 1984, 1985
By Type of Footwear

	Pairs (thous.)		Value (mil. $)		% Change 1985/84	
	1985	1984	1985	1984	Pairs	Value
Footwear, incl. rubber/plastic as well as nonrubber, total	346.8	391.1	—	—	- 11.3%	—
Nonrubber footwear, total	272.9	309.2	$3,956.2	$4,426.1	- 11.7	- 10.6%
Shoes & boots (excl. slippers)	218.1	249.0	3,745.8	4,209.3	- 12.4	- 11.0
Men's, except athletic	64.3	72.6	1,810.0	1,979.5	- 11.4	- 8.6
Dress & casual	38.8	43.6	910.9	1,003.6	- 11.1	- 9.2
Boots (dress & casual, including Western)	8.9	9.8	408.9	442.6	- 9.2	- 7.6
Workshoes & boots	16.6	19.2	490.2	533.3	- 13.5	- 8.1
Youths' & boys', except athletic	4.4	6.2	45.7	66.1	- 29.0	- 30.9
Women's, except athletic	98.7	115.2	1,473.2	1,634.4	- 14.3	- 9.9
Sandals	10.6	15.4	132.7	154.3	- 31.4	- 14.0
Dress & casual, except sandals	79.2	92.4	1,163.5	1,298.0	- 14.4	- 10.4
Boots, ankle height or higher	8.9	7.4	176.9	182.1	+ 21.2	- 2.8
Misses', except athletic	4.4	4.8	50.3	61.4	- 7.2	- 18.1
Children's, except athletic	9.3	10.5	84.5	113.0	- 10.8	- 25.2
Infants' & babies'	23.8	21.9	112.6	135.2	+ 8.6	- 16.7
Athletic footwear	10.8	12.7	16.5	33.5	- 14.9	- 50.7
All other nonrubber shoes	2.3	5.1	16.5	33.5	- 54.9	- 50.7
Slippers	54.8	60.2	210.4	216.7	- 8.9	- 2.9
Men's, youths', boys'	8.0	9.5	39.6	41.5	- 16.0	- 4.6
Women's & misses'	42.2	44.7	159.7	44.7	- 5.7	-257.3
Children's, infants', babies'	4.6	5.9	11.1	12.8	- 22.1	- 13.3
Rubber/plastic footwear						
Rubber/plastic soles/fabric uppers, total	56.7	65.0	385.9	416.7	- 12.7	- 7.4
Espadrilles	.9	1.3	7.7	11.3	- 29.6	- 32.0
Protective footwear	17.2	16.9	156.8	153.9	+ 1.3	+ 1.9
Rubber upper	8.6	8.7	94.9	95.2	- 1.0	- 0.3
Plastic upper	5.5	5.2	30.6	29.2	+ 6.8	+ 4.9
Fabric upper	3.0	3.0	31.3	29.5	- 0	+ 6.1

Source: U.S. Bureau of the Census,
Current Industrial Reports (MA31A).

PRODUCER (FACTORY) PRICES

The average wholesale price of footwear made in the U.S. increased from $2.42 in 1945 to an estimated $13.35 in 1985, according to an analysis by Footwear News (October 6, 1985). Most of the gain was in the period marked by sharp inflation, 1973-1982. In that nine-year span, the average wholesale price for domestic footwear rose 117% (while shoe factory wages were up 89%).

When imports entered the picture around 1968, the combined average price of imports plus domestics dropped about 15% in the 1968-1985 period, while domestic factory prices, alone were up 183% (from $4.71 to $13.35).

PRODUCER (FACTORY) PRICES

Based on data submitted in response to questionnaires, the U.S. International Trade Commission (USITA) compiled information on wholesale prices of specified types of footwear sold to different types of retail outlets, domestic vs. imports. Following is information reported on leather dress and casual shoes for men and for women.

Percent of Total Wholesale Sales of Footwear To Specified Oultet Types By Price Line & The Percent Represented By Domestic Footwear At Each Price

	Wholesale Sales To Each Type of Oultet					
	To Independent Shoe Stores & Department Stores		To Chain Shoe Stores		To Self-Service Shoe Stores & Discount Chains	
	Col. A	Col. B	Col. A	Col. B	Col. A	Col. B
Men's:						
Leather dress & casual shoes, total	100.0%	84.8%	100.0%	56.4%	100.0%	30.4%
Under $18 (wholesale)	19.6	73.3	67.8	53.0	95.5	30.7
$18.01 - $25.00	34.2	91.9	25.6	60.0	3.2	70.9
$25.00 - $38.00	34.4	86.1	6.1	78.4	1.3	35.1
Over $38.00	11.8	79.6	0.5	64.9	—	—
Women's:						
Leather dress & casual shoes, total	100.0	37.3	100.0	43.3	100.0	41.6
Under $14 (wholesale)	12.8	36.0	85.0	38.9	97.5	42.1
$14.00 - $24.00	71.7	41.5	12.8	69.4	1.9	26.9
$24.00 & over	15.5	18.9	2.2	60.0	0.6	—

Col. A: The percentage distribution of total reported sales to stores by wholesale price.
Col. B: The percent of the total in each price bracket represented by domestic footwear.

Source: USITA survey: FIA Footwear Manual (1985)

Producer Price Indexes: 1984, 1985
(1967 = 100)

	1985	1984	% Change 1985/84
All leather	352.9	372.2	- 5.2%
Cattle hide leather	354.6	370.4	- 4.3
Nonrubber footwear	256.8	251.2	+ 2.2
Men's	296.9	290.1	+ 2.3
Women's	231.2	225.3	+ 2.6
Children's	218.3	214.3	+ 1.9

Source: U.S. Bureau of Labor Statistics

PRODUCER (FACTORY) PRICES

Producer (Factory) Price Indexes on Footwear

	Base Period (Equal to 100)	Index for May 1986	Index for May 1985(r)	Annual Average 1984
Footwear, total	1967	261.8	253.9	251.7
Men's leather upper footwear	1967	304.8	290.5	291.6
Dress & casual shoes	12/80	112.6	104.5	107.9
Boots	12/80	117.1	115.1	111.3
Work shoes, work boots	12/80	123.8	118.5	114.1
Other leather upper footwear	12/80	121.0	114.7	119.0
Men's plastic upper footwear	12/80	106.7	101.3	105.3
Women's leather upper footwear	1967	224.3	224.5	219.2
Dress shoes	12/80	113.6	112.1	108.7
Casual shoes	12/80	107.9	106.0	100.4
House slippers	6/85	106.4	nr	nr
Sandals	12/80	75.2	80.1	nr
Boots	12/80	105.7	nr	110.6
Other leather upper footwear	12/80	131.1	125.6	121.8
Women's plastic upper footwear	12/80	104.0	103.9	102.9
Dress shoes	12/80	106.6	106.3	107.4
Casual shoes	12/80	109.0	108.7	107.8
Sandals	12/80	80.4	83.1	75.4
Children's footwear	1967	219.6	215.5	214.3
Leather upper footwear	6/80	121.7	118.1	117.0
Misses' footwear	6/80	104.1	103.7	102.8
Leather upper	6/80	104.4	104.2	103.1
Non-leather upper	6/80	103.5	nr	nr
Youths', boys' footwear	6/80	120.0	nr	nr
Infants', babies' footwear	6/80	116.9	116.4	115.4
Athletic footwear	6/80	107.0	105.2	nr
Rubber/plastics footwear	1967	249.5	216.2	227.4
Protective footwear	12/80	124.5	121.4	117.0
Fabric upper				
Men's	12/80	108.8	90.7	97.8
Women's, misses'	12/80	146.3	106.8	112.3

nr not reported
(r) revised

Source: U.S. Bureau of Labor Statistics.

FOREIGN TRADE

In August 1985, after President Reagan rejected the recommendation of the U.S. International Trade Commission that import quotas be imposed on nonrubber footwear the industry joined forces with the U.S. textile and apparel firms which were also actively fighting for quota restrictions. In December 1985, however, the President vetoed the Textile and Apparel Trade Enforcement Act which had included a provision for quotas on nonrubber footwear imports. Specifically, the proposed bill would have slashed imports to 60% of domestic consumption from their current share estimated at 81%. The impact on more expensive shoes would have been even greater, cutting the import share to only 44.6% of the U.S. market.

Attempts by the footwear industry, allied with domestic textiles and apparel producers, to have Congress override the veto failed in August 1986 in the face of arguments that the bill would mandate a destructive trade policy and have a widespread detrimental effect on U.S. trade. The Footwear Retailers of America (FRA) campaigned against the quota bill on the grounds that it would cause a great increase in the cost of footwear to the American consumer, as well as have an adverse impact on U.S. trade as a whole.

The administration favored reliance on tariffs or on quota arrangements negotiated with individual trading patterns rather than legal mandates governing quotas. Higher tariffs have been placed (as of April 1, 1986) on leather footwear from Japan, which is, however, a small part of their total footwear shipments to the U.S. The Reagan Administration has also threatened to put a stiff duty on nonrubber footwear imports from Brazil.

The drop in the value of the U.S. dollar, which is making footwear made abroad more expensive, may help stem the tide of imports. Indeed, in June 1986 imports registered a decline for the first time in a year, inching down 2.7% in quantity compared with the same month last year. In the first four months of 1986, U.S. imports of footwear from France dropped 31% in value compared with the same 1985 period ($26 million vs. $37.8 million). In quantity, exports dropped from 1.7 million to 1.6 million. However, in July 1985 total imports increased sharply, reaching a record monthly total.

U.S. importers who have concentrated their overseas sourcing in Europe are facing sharp price increases due to the lower value of the dollar, as well as those relying on such major foreign suppliers as Taiwan and Brazil. Some importers have cut back on shipments of French, Italian and Spanish shoes or shifted to lower price lines; others are shifting purchases to the Far Eastern sources that still offer competitive prices.

Spanish and Italian producers are for their part shaving markons to absorb some of the effects of the weaker dollar, while maintaining quality to hold on to their U.S. customers in the face of competition from Brazil and Taiwan (which are, however, also raising prices).

Exporters of footwear, on the other hand, hope to be helped by the decline in the value of the U.S. dollar which makes our footwear less expensive for foreign consumers. Another help may be in the fact that Canada has lifted nearly all of its shoe import quotas. U.S. branded firms hope to benefit, although Canada still levies a 23% tariff on footwear imports.

FOREIGN TRADE

U.S. Foreign Trade in Footwear, 1983-1985

	Imports (in millions)			Imports % Change	Exports (in millions)			Exports % Change
	1985	1984	1983	1985/84	1985	1984	1983	1985/84
Footwear, total								
Quantity	1,143.7	1,047.7	855.0	+ 9%	12.5	10.3	9.0	+ 22%
Value	$5,964.6	5,246.5	4,007.3	+14	198.5	187.4	102.2	+ 6
Rubber/plastic:								
Quantity	114.5	141.3	132.3	-19	1.2	1.4	1.5	- 15
Value	260.4	356.0	331.1	-27	11.0	12.9	12.2	- 14
Nonrubber footwear:								
Quantity	842.7	725.9	581.9	+16	11.3	8.9	7.5	+ 27
Value	$5,425.7	4,651.4	3,661.9	+17	99.9	98.5	90.0	+ 1

Note: Import values are the Customs values which represent the value of imports as appraised by the U.S. Customs Service. This is generally defined as the price actually paid or payable, excluding import duties, freight, insurance and other charges involved in shipping to the U.S. The export values are f.a.s. value (free alongside ship), U.S. port of export.

Source: U.S. International Trade Commission (Publication 1864)

Imports

In terms of pairs, in the first six months of 1986, imports accounted for 81.0% of the new supply of nonrubber footwear in the U.S. After dipping in June for the first time in a year (-2.7%), footwear imports skyrocketed 24.2% in July to the highest monthly volume in history. If the present rate continues, 1986 imports of nonrubber footwear could produce an overall total nearing one billion pairs, a new record.

Import figures, of course, include footwear sourced abroad by U.S. producers, including both shipments from U.S.-owned plants and other. Another factor in imports are the 807 operations. This is footwear cut in the U.S., sent outside the country to be assembled, then returned to the U.S. under 807 of the Tariff Schedules. For the first time, in the annual report on Footwear (Current Industrial Reports) covering 1985, issued by the Census Bureau, the value of 807 operations is separately reported, as well as included (by its components) in data on domestic output, imports and exports.

Census Bureau data for 1985 is summarized in the following table. It will be noted that the value of imports (unlike the preceding table) is the c.i.f. value, explained in the footnote.

FOREIGN TRADE

Imports

Production, Exports, Imports & Apparent Consumption of Footwear, 1985

	Mfrs. Shipments	Exports of U.S. Footwear	807 Imports		Total Imports*	Apparent Consumption	
						Total	Imports % To Total
QUANTITY (mils. of pairs)							
Footwear, total	337,310	12,519	25,999		940,156	1,266,947	74.3%
Nonrubber footwear							
Shoes & slippers	265,474	11,319	4,994		842,549	1,096,704	76.8
Leather footwear	145,300	2,069	3,970		440,701	583.9	75.5
All other footwear	120,174	9,250	1,024		401,848	512,772	78.4
Footwear with rubber or plastic soles, fabric uppers	55,383	808	20,060		84,760	139,335	60.8
Rubber/plastic protective footwear	16,453	392	245		12,847	28,908	44.4
			U.S. content	Total			
VALUE (mils. of $)							
Footwear, total	$4,499.9	$110.9	$ 35.2	$94.3**	6,658.6**	11,046.7	60.3
Nonrubber footwear							
Shoes & slippers	3,956.3	99.9	10.9	60.6	6,275.7	10,132.1	61.9
Leather footwear	na	33.7	9.5	51.9	4,655.2	na	na
All other footwear	na	66.2	1.4	8.7	1,620.5	na	na
Footwear with rubber or plastic soles, fabric uppers	385.9	8.4	24.1	31.6	288.1	665.6	43.3
Rubber/plastic protective footwear	156.8	2.6	0.2	2.1	94.8	249.0	38.1

na not available

* Imports for consumption in the U.S.

**Represents the c.i.f. value which includes cost, insurance and freight at first port of entry in the U.S., plus U.S. import duties. The total value of 807 imports includes the value of the U.S. fabricated components and foreign processing.

Total: U.S. Bureau of the Census, Current Industrial Reports (MA31A)

For the year 1985, imports of footwear into the U.S. in the nonrubber classification increased 16% in quantity and 17% in value compared with 1984. Imports of footwear with fabric uppers and plastic or rubber soles were down, however, due to a drop in demand and competition from soft-leather upper footwear with rubber or plastic soles. Imports in this classification in 1986 were 19% below 1984's total in quantity and 27% in value.

FOREIGN TRADE

Imports

Imports By Type of Footwear & Average Value, 1984, 1985

	Millions of Pairs 1985	Millions of Pairs 1984	% Change 1985/84	Average Value Per Pair 1985	Average Value Per Pair 1984
Nonrubber footwear, total	842.7	725.9	+ 16.1	$ 6.44	$ 6.41
Men's	108.8	109.5	- 0.6	8.05	7.75
Youth's & boys'	14.5	11.3	+ 28.0	4.75	5.24
Women's	430.7	384.2	+ 12.1	6.33	6.37
Misses'	22.9	19.3	+ 18.7	3.05	3.36
Children's	35.5	34.5	+ 2.9	2.92	3.23
Infants'	25.8	20.8	+ 24.1	1.93	2.02
Athletic	175.0	121.6	+ 43.9	7.84	7.62
Work	10.3	9.1	+ 12.2	11.85	11.68
Slippers & other	19.2	15.6	+ 23.0	2.10	2.61
Rubber, plastic, total	114.5	141.3	- 19.0	6.44	6.41

Source: Footwear Industries of America
& U.S. Bureau of the Census

All of the major foreign suppliers stepped up their shipments of nonrubber footwear to the U.S. market last year. Imports from Taiwan increased by 21% over 1984 in terms of pairs, and were valued at $1.8 billion -- more than 30% of the total for 1985 represented by nonrubber footwear imports. Other leading suppliers in 1985 were South Korea, the European Community and Brazil. Combined, the four leading suppliers accounted for 82% of shipments to the U.S. in 1985.

The biggest share of the U.S. market in terms of type of footwear which is accounted for by imports is in athletic footwear. No U.S. athletic shoe company is purely a domestic producer. Nike Inc. is reported to import 90% of its footwear, and all of Reebok's footwear is sourced abroad. Some types of athletic footwear, particularly the soft leather aerobic shoes, which have registered a sharp growth in demand, cannot be efficiently made in the U.S. South Korea is the leading resource for quality athletic footwear.

Manufacturers of other types of footwear, too, have found it more economical to source their footwear abroad. In 1984 a total of 30% of U.S. imports were made abroad by domestic footwear manufacturers in order to supplement their lines with price-competitive items according to a report by specialists in business information (SBI).

Imports' Share of U.S. Market Supply by Type of Footwear, 1984, 1985
(Supply in millions of pairs)

	1985	1984	% Change 1985/84
Nonrubber footwear:			
Men's (excluding work shoes)			
Supply	158.3	162.2	- 2.4%
Import penetration %	68.7%	67.5%	+ 1.2
Youths', boys'			
Supply	18.4	17.9	+ 3.0
Import penetration %	78.9%	63.5%	+15.4

(continued)

Imports (continued)

Imports' Share of U.S. Market Supply by Type of Footwear, 1984, 1985
(Supply in millions of pairs)
(continued)

	1985	1984	% Change 1985/84
Women's			
Supply	528.5	498.7	+ 6.0
Import penetration%	81.5%	77.0%	+ 4.5
Misses			
Supply	28.4	24.8	+14.5
Import penetration %	80.9%	78.0%	+ 2.9
Children's			
Supply	43.0	44.7	- 3.8
Import penetration%	82.6%	77.2%	+ 5.4
Infant's			
Supply	47.2	40.5	+16.7
Import penetration%	54.7%	51.4%	+ 3.3
Athletic footwear			
Supply	182.7	135.5	+35.8
Import penetration %	95.8%	89.7%	+ 5.5
Work shoes, boots			
Supply	25.7	28.4	-11.1
Import penetration%	40.0%	31.9%	+ 8.4
Slippers & other footwear			
Supply	76.8	75.7	+ 1.4
Import penetration%	25.0%	20.8%	+ 4.2

Source: Footwear Industries of America based on U.S. Bureau of the Census reports

Exports

In 1985, aided by the weaker dollar which made U.S. products less expensive in countries with a changed rate of exchange, U.S. exports of nonrubber footwear increased 27%, rising from 8.9 million pairs in 1984 to 11.3 million in 1985. This was the highest level reached since 1980, when a record 12.8 million pairs were shipped out of the U.S. Value, however, slipped slightly (-0.4%).

The value of U.S. exports of all types of footwear reached $110.9 million in 1985, and shipments went to 90 countries. Japan accounted for almost a third of the total quantity, mostly athletic footwear exempt from Japan's quotas which are applied to leather footwear imports. Other leading importers of U.S. footwear include Mexico (primarily slippers), Italy and Canada.

FOREIGN TRADE

Exports

Quantity & Value of U.S.Footwear Exports: 1984, 1985
(Quantity in thousands of pairs; value in millions of dollars)

	Quantity		% Change	Value		% Change
	1984	1983	1985/84	1985	1984	1985/84
Total footwear	12,519	10,302	+21.5%	$110.9	$111.4	- 0.4%
Nonrubber footwear:						
Shoes & slippers	11,319	8,886	+27.4	99.9	98.5	+ 1.4
Leather	2,069	2,009	+ 3.0	33.7	35.3	- 4.5
Other	9,250	6,877	+34.5	66.2	63.2	+ 4.7
Footwear with rubber or plastic soles/fabric uppers	808	1,120	-27.9	8.4	10.2	- 17.6
Rubber/platic protective footwear	392	296	+32.4	2.6	2.7	- 3.7

Source: U.S. Bureau of the Census, Current Industrial Reports

AT THE RETAIL LEVEL

RETAIL TRADE

Size of the Consumer Market

Population Projections - 1986, 1994, 2005
(Middle Series*)

	Number (Thousands)			% Change	Percent Distribution		
	1986	1994	2005	2005/1986	1986	1994	2005
MALE							
Total, all ages	117,226	125,464	134,297	+ 14.6%	100.0%	100.0%	100.0%
Under 5 years	9,557	9,635	8,931	- 6.5	8.2	7.7	6.6
5 to 9 years	8,739	9,866	9,094	+ 4.1	7.4	7.9	6.8
10 to 15 years	10,226	11,245	11,698	+ 14.4	8.7	9.0	8.7
16 years & over	88,701	94,718	104,574	+ 17.9	75.7	75.4	77.9
16 - 19	7,479	6,712	8,058	+ 7.7	6.4	5.3	6.0
20 - 34	31,761	29,725	27,416	- 13.7	27.1	23.7	20.4
35 - 54	27,446	35,187	40,769	+ 48.5	23.4	28.0	30.4
55 - 64	10,303	9,793	14,060	+ 36.5	8.8	7.8	10.5
65 & over	11,712	13,300	14,271	+ 21.8	10.0	10.6	10.6
Median age (years)	30.5	33.0	36.0	+ 18.0	--	--	--
FEMALE							
Total, all ages	123,631	132,251	141,381	+ 14.4%	100.0%	100.0%	100.0%
Under 5 years	9,117	9,183	8,518	- 6.6	7.4	6.9	6.0
5 to 9 years	8,350	9,415	8,678	+ 3.9	6.7	7.1	6.1
10 to 15 years	9,772	10,745	11,167	+ 14.3	7.9	8.1	7.0
16 years & over	96,390	102,903	113,018	+ 17.2	78.0	77.9	80.0
16 - 19	7,180	6,426	7,707	+ 7.3	5.8	4.9	5.5
20 - 34	31,353	29,068	26,706	- 14.8	25.4	22.0	18.9
35 - 54	28,564	36,202	41,249	+ 44.4	23.1	27.4	29.2
55 - 64	11,740	11.002	15,399	+ 31.2	9.5	8.3	10.9
65 & over	17,553	20,205	21,957	+ 25.1	14.2	15.3	15.5
Median age (years)	33.0	35.6	39.2	+ 18.8	--	--	--

* Middle in a series of three projections based on different assumptions regarding future birth rates, immigration and mortality rates.

Source: U.S. Bureau of the Census, Current Population Reports
Series P-25, No. 952 (May 1984)

RETAIL TRADE

According to the U.S. Department of Commerce, in the first five months of 1986 per capita consumption of footwear in the U.S., was running at 4.8 pairs per year. This compares with 4.6 pairs in 1985; 4.3 in 1984; 3.9 in 1983; 3.6 in 1982; 3.2 in 1981; and 3.3 in 1980. The 1963-1983 average per capita consumption of footwear was 3.7 pairs a year. The current 1986 rate, if it is maintained,will set a new record high.

Athletic Footwear Market

About 70% of the increase in per capita shoe consumption this year can be traced to aerobic-style footwear, according to the Commerce Department. This shoe type has taken about 30% of the market once controlled by rubber and canvas sneakers. Demand continues to grow as suppliers bring out new styles and colors, and participation in fitness activities continues to gain.

The rapid growth in the athletic footwear market in recent years has been due mainly to an expanding popularion of affluent young adults interested in fitness. While some segments of this market have been slowing down -- notably running and tennis -- growth areas are seen among people taking up walking and bicycling or getting into aerobics to keep fit. The industry is also reaching out to a much younger market, offering children's sized athletic footwear in many styles.

Participation of Adults in the U.S. in Selected Sports
In Past 12 Months: 1985, 1982

	1985	1982
Bicycling	31%	27%
Bowling	23	24
Running/jogging	23	nr
Basketball	14	18
Golf	12	8
Tennis	12	14
Baseball	12	14

Source: The Gallup Organization Inc. (1986)

Surveys conducted by the National Sporting Goods Association (NSGA) (reported in SportStyle, September 8, 1986) show increased participation in sports requiring special footwear. Included in the top 10 were exercise, walking and calisthenics.

The market surveyed by NSCA, mainly of sporting goods stores, accounted for an estimated $2.6 billion in athletic footwear sales at retail last year. Aerobic shoes showed the greatest increase (+205%) but unit sales of gym shoes/ sneakers were found to be six times higher than aerobic shoes, or more than 30 millioni. Tennis show sales increased 26% to 18.7 million units, staying only marginally ahead of running shoes, which fell off 9%. Other growth areas including basketball shoes at about 5.5 and 4 million units, respectively.

Athletic Footwear Market (continued)

A market analysis by Reebok included an estimate that branded athletic footwear accounts for about $4.0 billion at retail annually. In discussing the aerobic footwear market specifically, Reebok finds that currently only 40% of aerobic exercisers are wearing aerobic shoes, leaving a potential market of 14.2 million exercisers.

Women have become an increasingly important factor in the athletic footwear market -- particularly because of the demand for aerobic shoes. The National Sporting Goods Association estimates the total value of sales of aerobic footwear reached $53.9 million (1.9 million pairs) in 1984, and women accounted for 92% of this market. They are making up a large segment of the growing market for fitness/walking shoes.

Women account for a higher proportion of the people who buy athletic footwear primarily for comfort, fashion and to have the "active look." They generally look for shoes that will serve more than one purpose and are reported by retailers to be generally more price-conscious than men are in buying athletic footwear.

Consumer Expenditures For Footwear

In 1985, according to the Bureau of Economic Analysis, the total retail value of footwear reaching the consumer through any channel (including direct sales by manufacturers and wholesalers, street venders, etc.) amounted to $22,158 million, gaining 5.0% over the 1984 total. On a constant dollar basis, eliminating inflation, the value of consumer spending for footwear rose 3.7%. In 1984, spending for footwear (current dollars) gained 7.6%; and in terms of constant dollars, the gain was 6.3%. The compound rate of gain in constant dollar spending for footwear in the past five years has averaged about 3%.

Personal Consumption Expenditures For Footwear, 1983-1985
(Millions of dollars)

	1985	1984	1983
Footwear, total			
Current dollars	$22,854	$21,762	$20,224
Current (1982$)	22,158	21,370	20,107

Source: National Income & Wealth Division
Bureau of Economic Analysis, U.S. Dept. of Commerce

Based on trade sources, the following estimates have been made by the Fairchild Market Research Department breaking down footwear personal consumption expenditures by major classifications:

	Estimated Expenditures (millions of $)	
	1985	1983
Footwear, total	$22,854	$20,224
Men's	8,067	7,543
Women's	12,295	10,395
Boys', girls', infants'	2,492	2,286

Consumer Expenditures For Footwear (continued)

An ongoing Consumer Expenditure Survey is conducted by the Bureau of Labor Statistics, U.S. Department of Labor. The survey covers urban consumers and consists of two components, each with its own questionnaire and sample: 1) a quarterly Interview survey in which each consumer unit (household) in the sample is visited by an interviewer every 3 months over a 12-month period. and 2) a Diary survey completed by participants in the survey covering all spending for frequently purchased items (food, etc.) in a period of 2 consecutive weeks.

Footwear expenditure information is collected through the Interview survey and results cover average expenditures in a 12-month period based on a projection to all Urban households in the U.S. The averages, therefore, include households (consumer units) which reported footwear purchases in the period as well as those who did not make such a purchase. The BLS reports average expenditures based on household income, by geographic region, and age of reference person (household head). The aggregate results are, however, below the expenditure total reported by the Bureau of Economic Analyis.

Average Annual Expenditures For Footwear By Urban Households Classified By Income Before Taxes, 1982-1983

	Average Expenditures For Footwear
Average, all urban households	$ 119
Income Before Taxes:	
Less than $10,000	62
$10,000 - $14,999	84
$15,000 - $19,999	101
$20,000 - $29,999	131
$30,000 - $39,999	168
$40,000 & over	227

Source: U.S. Bureau of Labor Statistics:
Consumer Expenditures Survey:
Interview Survey, 1982-83

Consumer Prices

Retail footwear prices in June 1986 declined 0.7% from May levels and 1.8% from June 1985 prices, according to the U.S. Bureau of Labor Statistics. Seasonally adjusted, June 1986 prices for footwear edged down 0.4% from May price levels.

Retail prices for women's footwear this June declined 1% from May and 3.4% from June 1985 price levels. Prices for boys' and girls' footwear were down 0.5% for the month and 3.1% for the year. Men's footwear prices in June 1986 averaged 0.6% below May 1985 but were 1% above June 1985 prices.

Consumer Prices (continued)

Consumer Price Index For Footwear
(All Urban Consumers)

	Base Period	Month of June 1986	Month of June 1985	Annual Average 1985	Annual Average 1984	Annual Average 1983	% Change 1985/84
All footwear	1967=100	211.5	213.5	212.1	209.5	206.9	+ 1.2%
Men's	12/77=100	142.0	139.8	139.4	136.7	133.6	+ 2.0
Boys' & girls'	12/77=100	133.3	136.8	134.5	132.9	130.9	+ 1.2
Women's	12/77=100	124.6	127.4	126.8	125.9	125.5	+ 0.7

Source: U.S. Department of Labor, Bureau of Labor Statistics

Footwear Sales Trends

Sales through retail outlets of footwear of all types is estimated at $21.8 billion in 1985, covering the purchase of 844 million pairs. Based on consumer pruchase tracking studies conducted by Footwear Market Index (FMI), Kormos, Harris & Associates, Nashville, Tennessee, over half the market is concentrated in women's footwear. Men's footwear, which is generally more expensive than women's, represented about 35% of dollar expenditures, but only about 25% of all pairs purchased last year.

Estimated Retail Sales of Footwear By Classification, 1985

	Dollars		Pairs	
	Billions	Percent	Millions	Percent
Total footwear sales	$ 21.8	100.0	843.7	100.0
Men's	7.7	35.3	213.4	25.3
Women's	11.7	53.8	473.1	56.1
Boys'	1.0	4.8	61.0	7.2
Girls'	0.8	3.5	51.7	6.1
Infants'	0.6	2.6	44.6	5.3

According to statistics on footwear sales, based on reports from shoe stores and shoe departments nationwide and compiled by Retail Merchandising Automation (RMSA), Riverside, Calif., sales were generally weak in 1985. Women's styles were strongest in low-heel dress shoes (up 11.3% for the year), but overall sales were flat; men's footwear sales nationally were reported by this source to be down 2.3% compared with 1984; children's footwear gained 2.6%.

Footwear Sales Trends (continued)

Percent Change in Shoe Sales By Style, 1985/1984 By Regions of the U.S.

	Dress	Casual	Boots	Athletic
Men's				
Northeast	+ 1.9%	- 1.2%	- 8.3%	+ 22.2%
South	+ 13.2	- 3.8	- 12.1	+ 11.6
Central	+ 5.6	- 13.9	+ 6.9	+ 31.3
West	+ 1.2	+ 7.8	- 36.1	+ 27.6
Women's				
Northeast	+ 1.1	+ 4.2	- 7.7	+ 16.2
South	- 2.3	- 4.5	- 14.5	+ 8.9
Central	+ 6.0	- 2.9	+ 15.3	- 15.4
West	+ 6.2	- 2.5	- 23.4	- 4.8

Source: RMSA (Footwear News, February 24, 1986)

However, an analysis of fashion footwear sales by Merrill Lynch reported a sales gain of 8% in 1985 compared with 1984. A gain of about 4% was expected in 1986, with the rate of increase dropping to 2.5% in 1987. Merrill Lynch reported that in terms of both price and quality imports would continue to gain favor at the expenses of American producers despite the weakening U.S. dollar.

An analysis of the footwear market in 1986 made at the end of 1985 by Kurt Salmon Associates found a mixed picture, with severe inventory problems that are beginning to ease. Real growth in the footwear business was expected to be around 2%. No gain was expected in unit consumption of men's and boys' shoes. Women's styles were expected to be up 3%, aided by synthetic leathers and colors in high heels.

The athletic and leisure shoe market, once the province of the large brand names, is now up for grabs. There will be keen competition among the brands over each other's maket shares, according to Kurt Salmon. Overall sales are leveling off.

The growth of one-piece unit soles in casual footwear (about 60% of the market) is expected to slow down. However, more interest is being shown by men in "comfort shoes" that imitate dress styles but feature some of the technological developments that played a key role in the development of athletic footwear. Innovative combinations of leather tops with special support features in lightweight shoes have stimulated excellent sales response that was expected to carry over into 1986.

In 1985, the Marketing Science Institute, Cambridge, Mass., issued a report on "Future Trends in Retailing", which included an analysis of footwear sales trends, 1980-1990. The rate of growth in the sale of footwear is expected to decline due, in part, to the drop in the teenage population. Teenagers are an important factor in spending for fashion apparel and footwear.

Footwear Sales Trends (continued)

Counterbalancing negative factors, according to MSI, are such factors as the growth of the population age 25 to 45 and new entrance in the labor force. Along with this is the continued emphasis on health and appearance which includes walking and the need for a variety of athletic (or athletic-look shoes). Government protectionism, if it comes about, could mean fewer low-priced imported shoes in the available market supply.

If the rate of gain in footwear sales (constant dollar) noted in the 1967-1980 period continued, footwear sales in the 1980-1990 period would register a compound annual growth rate in constant dollars of 1.9%. However, the MSI forecast is for the rate to decline to 0.9%.

Footwear (Except Infants' & Toddlers') Sales Growth, 1980-1990

			Existing Trend Continued		The Forecast	
	1967	1980	CAGR* 1980-1990	1990	CAGR* 1980-1990	1990
Per capita sales*	$ 55	$ 65	+ 1.2%	$ 73	+ 0.2%	$ 66
Retail sales (in millions of 1980 dollars)	$10,197	$14,084	+ 1.9%	$17,030	+ 0.9%	$15,400

* Compound annual growth rate.

Source: Marketing Science Institute
Future Trends in Retailing (Feb. 1985)

Retail Sales in Leading Markets

Annual data is compiled and published by Sales & Marketing Management Magazine on retail sales of major merchandise classifications in metropolitan markets. In 1984, according to this source, the 10 leading metropolitan areas in the U.S. accounted for over 26% of total sales of footwear.

Footwear Sales in Leading Metropolitan Markets, 1983

Rank	Metropolitan Market	In Thousands
1	New York, New York	$ 955,345
2	Los Angeles-Long Beach, California	788,261
3	Chicago, Illinois	663,563
4	Boston-Lawrence-Salem-Lowell-Brockton	643,972
5	Philadelphia, Pennsylvania	439,620
6	Detroit, Michigan	383,586
7	Washington, DC	262,466
8	Houston, Texas	341,201
9	Nassau-Suffolk, New York	323,925
10	Dallas, Texas	262,466
	10-market total	5,182,905
	Percent of U.S. total	26.2%
	U.S. total	$ 19,747,996

Source: Sales & Marketing Management Annual Survey of Buying Power, Part 11, (October 28, 1985 issue)

RETAIL TRADE

Retail Sales By Type of Outlet

Consumer purchases of footwear are tracked through detailed diaries maintained by a panel of 50,000 households and reporting to Footwear Market Index (FMI), Kormos, Harris & Associates, Nashville, Tennessee. Purchases in terms of pairs and dollars were distributued in 1985 by outlet type as noted below, according to diary records.

Shoe stores have the major share of business, accounting for upwards of 40% of dollar expenditures, depending on the shoe type.

Percent of Footwear Purchases by Outlet Type, 1985

	Men's		Women's		Boys'		Girls'		Infants'	
	Pairs	$	Pairs	$	Pairs	$	Pairs	$	Pairs	$
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Outlet type:										
Shoe stores	35.5	39.9	40.7	43.3	36.2	42.2	40.2	48.9	41.2	52.6
Department stores	8.5	9.4	14.6	18.9	6.9	7.9	7.5	8.7	6.6	7.1
Discount stores	18.0	10.8	15.8	9.1	28.9	20.4	30.4	19.2	32.7	20.5
National catalog chains	12.7	10.9	10.0	8.3	13.5	12.4	10.1	9.6	6.7	6.5
Apparel specialty stores	2.4	3.9	2.3	3.3	1.1	1.3	1.0	1.6	1.6	2.3
Sporting goods stores, pro shops	7.1	7.5	2.0	2.6	3.7	5.0	0.8	1.1	--	--
Mail order	3.1	3.7	2.0	2.5	0.3	0.5	0.2	0.4	0.2	0.3
Factory outlet	2.7	2.8	3.0	2.6	1.4	1.6	1.5	1.9	1.2	1.1
All other	8.4	9.7	6.5	6.7	6.9	7.7	6.1	7.1	7.9	7.8

Source: Footwear Market Index (FMI)

The only official (government) source of information on retail sales by merchanidse line, including sales in major outlet ypes, is the comnplete census of retail trade compiled by the U.S. Department of Commerce, Census Bureau, every five years since 1930.

The most recent census covered operations in the Year 1982 and was limited to stores with payroll. In reporting findings, the Census Bureau made a change which affects comparability with earlier census of retail trade reports. In 1982, leased departments were not separately enumerated but were combined in counts on the store types in which they were operated. This change has increased the number and sales of shoe stores in 1982 compared with earlier years.

Total sales of footwear and footwear accessories (laces, polishes, etc.) in stores with payroll amounted to $17,016.8 million in 1982. Sales of footwear, alone, were reported at $14,754.2 million. This included men's and boys' footwear, $5,168.4 million (35.0%); women's and girls', $8,008.1 (54.3%); children's and juvenile's. $1,557.7 million (10.7%).

RETAIL TRADE

Retail Sales By Type of Outlet

Footwear & Footwear Accessories Sales By Major Type of Retail Outlet; 1982

(Includes establishments with payroll only)

	Number of Establishments	Sales By Outlet Type	
		(thous.$)	% of Total
Footwear & footwear accessories sales, reported total	111,607	$17,016,801	100.0
General merchandise group stores*	22,703	3,301,284	19.4
Department stores*	5,290	2,685,558	15.8
Apparel & accessory stores, including shoe stores	57,443	12,545,280	73.7
Men's and boys' wear stores	5,242	291,242	1.7
Women's wear stores	4,322	356,852	2.1
Family clothing stores	9,317	879,589	5.1
Shoe stores	36,277	10,958,441	64.4
Men's shoe stores	4,153	1,075,221	6.3
Women's shoe stores	7,832	2,576,756	15.1
Children's & juveniles' shoe stores**	994	215,657	1.3
Family shoe stores	23,298	7,090,807	41.7
Other apparel & accessory stores	2,285	68,156	0.4
Children's/infants/wear stores**	474	12,655	0.1
Sporting goods stores	9,253	518,343	3.0
Nonstore retailers, total	3,313	353,858	2.1
Mail order houses***	3,201	312,269	1.8
Direct selling establishments	112	42,589	0.3
Other retailers	18,895	297,036	1.8

* Leased departments are not included, but are classified as separate establishments. Discount department stores and department stores operated by national chains (Sears, Ward, Penney) are included as department stores.

** Infants' and toddlers' footwear is not included in the above table. This classification is included by the Census Bureau in data on "children's wear".

***Catalog order desks are included in the sales of the stores in which operated.

Source: U.S. Bureau of the Census: 1982 Census of Retail Trade (RC82-1-3)

Retail Sales By Type of Outlet (continued)

Footwear Sales By Type of Footwear In Reported Retail Outlets, 1982
(Includes only establishments with payroll)

	Estab. (number)	(Mil. $)	Sales % by Footwear/Outlet Type	% of Total
Footwear & footwear accessories, total	111,607	$17,016.8	—	—
Footwear, reported total		14,754.2		100.0%
Men's and boys' footwear, reported total	48,890	5,168.4	100.0	35.0
By type of outlet —				
Department stores	4,814	801.5	15.5	
Shoe stores	29,378	3,741.3	72.4	
Men's shoe stores	4,153	1,017.0	19.7	
Women's shoe stores	1,787	85.1	1.6	
Children's & juveniles' shoe stores	150	2.2	*	
Family shoe stores	23,288	2,637.0	51.0	
Apparel stores	14,698	625.6	12.1	
Men's and boys' wear stores	5,081	252.4	4.9	
Women's ready-to-wear stores	672	17.9	0.3	
Women's accessory & specialty stores	174	2.0	*	
Family clothing stores	8,693	352.2	6.8	
Children's wear stores	78	1.1	*	
Women's and girls' footwear, rep. total	49,775	8,008.1	100.0	54.3
By type of outlet —				
Department stores	5,092	1,704.7	21.3	
Shoe stores	31,626	5,545.3	69.2	
Men's shoe stores	314	14.2	0.2	
Women's shoe stores	7,832	2,303.1	28.8	
Children's & juveniles' shoe stores	189	4.8	*	
Family shoe stores	23,291	3,223.2	40.2	
Apparel stores	13,057	758.0	9.5	
Men's and boys' wear stores	975	28.7	0.4	
Women's ready-to-wear stores	3,486	300.4	3.8	
Women's accessory & specialty stores	609	22.8	0.3	
Family clothing stores	7,920	404.1	5.0	
Children's wear stores	67	2.0	*	
Children's footwear, reported total**	32,423	1,577.1	100.0	10.7
By type of outlet —				
Department stores	3,007	158.0	10.0	
Shoe stores	24,265	1,301.0	82.5	
Men's shoe stores	377	7.5	0.5	
Women's shoe stores	1,863	44.8	2.8	
Children's & juveniles' shoe stores	994	205.8	13.0	
Family shoe stores	21,031	1,042.9	66.1	
Apparel stores	5,151	118.7	7.5	
Men's and boys' wear stores	429	5.7	0.4	
Women's accessory & specialty stores	53	1.3	*	
Family clothing stores	4,227	102.4	6.5	
Children's wear stores	442	9.3	0.6	
Footwear accessories (laces, polishes, etc.)	—	2,262.7	—	

* Less than 0.1%

**Footwear for infants and toddlers is not included. This footwear is combined with data on infants' apparel and other infants' products.

Source: U.S. Bureau of the Census, 1982 Census of Retail Trade

RETAIL TRADE

Shoe Stores

Shoe stores account for the major share of footwear sales -- 71.7% of the 1982 dollar total, not including footwear accessories. In men's and boys' footwear, shoe stores accounted for 72.4% of sales in outlets with payroll; in women's and girls' 69.2%; in children's (not including infants' and toddlers'), 82.5%.

Footwear Sales By Type of Shoe Store: 1982
(Includes only establishments with payroll)

	Establishments		Sales with specified merchandise lines		
	Number	%	Amount (thous. $)	%	% by Shoe Type
Shoe stores, total	36,277	100.0	$11,275,397	100.0	—
Footwear sales	36,277	100.0	10,587,691	93.9	—
Men's & boys' footwear	29,378	80.6	3,741,271	33.2	100.0
Family shoe stores	23,288	64.2	2,637,044	23.4	70.5
Men's shoe stores	4,153	11.4	1,016,967	9.0	27.2
Women's shoe stores	1,787	4.9	85,103	0.8	2.3
Children's shoe stores	150	*	2,157	*	*
Women's & girls' footwear	31,626	87.2	5,545,367	49.2	100.0
Family shoe stores	23,291	64.2	3,223,235	23.4	58.1
Men's shoe stores	7,832	21.6	2,303,074	9.0	41.5
Women's shoe stores	314	409	14,237	0.8	0.3
Children's shoe stores	189	0.5	4,821	0.1	0.1
Children's footwear**	24,265	66.9	1,301,053	11.5	100.0
Family shoe stores	21,031	50.0	1,042,918	9.2	80.2
Children's shoe stores	994	2.7	205,768	1.8	15.8
Women's shoe stores	1,863	5.0	44,826	0.4	3.4
Men's shoe stores	377	1.0	7,541	0.1	0.6
Related products:					
Footwear accessories	22,123	61.0	370,750	3.3	--
Other merchandise receipts	—	—	316,956	2.8	--

* Less than 0.1%

**Footwear for infants and toddlers is not included.

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade

According to the 1982 Census, a toal of 11,744 firms in business the entire year operated shoe stores -- a total of 35,512 stores. Sales of shoe stores are highly concentrated among the large firms. In 1982, 61 firms (0.5% of the total) operated over half (55%) of all shoe stores in operation the entire year and accounted for 58.5% of total shoe store sales.

Shoe Stores (continued)

Shoe Store Operations By Size of Firms, 1982
(Retail establishments with payroll)

	No. of Firms*	% of Total Firms	% of Total Stores	% of Total Sales
Total	11,744	100.0	100.0	100.0
Annual sales volume of firms:				
$10.0 mil. or more	61	0.5	55.0	58.5
5.0 mil. - $9.9 mil.	73	0.6	2.9	4.5
2.5 mil. - $4.9 mil.	141	1.2	3.0	4.6
1.0 mil. - $2.49 mil.	595	5.1	4.7	8.2
Less than $1.0 mil.	10,874	92.6	34.4	24.2

* Covers 11,744 shoe store firms in operation entire year 1982, with 35,512 stores.

Shoe Store Single & Multi-Unit Operations, 1982
(Retail establishments with payroll)

	% of Total Firms	% of Total Stores	% of Total Sales
Total	100.0*	100.0%	100.0%
Single-unit organizations	84.8	29.1	23.3
Multi-unit organizations	15.2	70.9	76.7
Operating: 2 - 4 stores	12.5	9.0	10.2
5 - 9 stores	1.6	3.6	5.2
10 or more stores	1.0	58.3	61.2
50 or more	0.1	52.7	54.3

* Based on 12,449 firms in operation anytime during the year 1982, with 36,277 stores. Over half (55.0%) of the stores with payroll were operated by 61 firms with total volume of $10 million or more in 1982; and these stores controlled 58.5% of sales. Multi-unit firms -- of which there were 1,898 in 1982, operated 71% of the shoe stores and had a 77% share of sales. Over half (54.3%) of sales in 1982 were controlled by 37 firms which operated 19,099 stores (53% of the total).

Source: U.S. Bureau of the Census, 1982 Census of Retail Trade

The 50 largest firms operating shoe stores with payroll in 1982 had 53.1% of the stores, and a 56.3% share of sales.

Concentration of Largest Shoe Store Firms, 1982
(Retail establishments with payroll)

	Stores	Sales (mil.)	% of Total Stores	% of Total Sales
All firms *	36,277	$11,275.4	100.0%	100.0%
4 largest firms	8,462	3,079.1	23.3	27.3
8 largest firms	12,557	4,244.2	34.6	37.6
20 largest firms	17,515	5,661.1	48.3	50.2
50 largest firms	19,271	6,345.0	53.1	56.3

* Based on 12,449 firms in operation anytime during the year.

RETAIL TRADE

Shoe Stores

Shoe Stores (In Operation Entire Year) By Sales Size, 1982
(Retail establishments with payroll)

	Stores	Sales (mil. $)	% of Total Stores	% of Total Sales
Total	34,080	$10,622.9	100.0	100.0
Annual sales:				
$ 5.0 mil. or more	18	132.5	0.1	1.2
2.5 mil. - $4.9 mil.	60	194.5	0.2	1.8
1.0 mil. - $2.49 mil.	843	1,158.3	2.5	10.9
0.5 mil. - $0.99 mil.	4,010	2,668.3	11.8	25.1
Under $500,000	29,149	6,469.3	85.5	60.9

No figures are available on the number of shoe stores in operation in 1982 which did not have paid employees. However, based on information available for 1977, there are probably over 3,000. In 1977, out of a total store count of 24,712, there were 2,980 stores without payroll (12.1% of the stores) and they accounted for 2.2% of reported sales.

The department of Commerce, Bureau of the Census, reports monthly and annual data on total sales of retail outlets, including shoe stores. These reports covera all stores including both those with and those without payroll. Unlike the procedure used in compiling the 1982 census of retail trade, leased departments are not counted as separate establishments, but are included in counts on the lessee stores.

Shoe Store Sales, 1983-1985, 1st Six Months 1986
(Millions of dollars)

	1985	1984	1983	% Change Jan.-June 1986/85*	% Change 1985/ 1984	% Change 1984/ 1983	% Change 1983/ 1982
Shoe stores, total	$10,857	$10,335	$9,794	+ 2.8%	+ 5.0%	+5.5%	+7.1%
In chains of 11 or more stores	5,407	5,099	4,761	+11.2	+ 6.0	+7.1	+9.8

Source: U.S. Department of the Census, Bureau of the Census

* Adjusted for seasonal variations, holiday and trading-day differences.

Seasonal Pattern in Shoe Store Sales, 1983-1985
(Percent of Year's Sales By Months)

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1985	6.7%	8.5%	8.5%	9.2%	8.8%	8.1%	7.1%	9.2%	8.2%	8.3%	8.7%	11.0	100.0
1984	7.0	6.5	7.9	8.4	8.3	8.2	7.1	8.8	8.7	8.3	8.8	11.5	100.0
1983	6.5	6.0	8.3	8.4	8.1	7.9	7.3	8.7	8.7	8.8	9.1	12.0	100.0

Dates of Easter: 1986: March 30; 1985: April 7; 1984: April 22.

Source: Based on U.S. Bureau of the Census,
Monthly Retail Trade Reports.

Shoe Stores (continued)

In addition to independent shoe stores, a great number of shoe stores and leased departments are owned by large diversified companies, including both manufacturers and retail operations. Some of these companies are also involved in shoe wholesaling. An analysis of operating results for 1985 was included in the annual financial summary on the footwear industry which ran in Footwear News, July 7, 1986.

Two of the largest diversified retailers operating shoe stores were F.W. Woolworth, with its Kinney Shoe Corp. (operating 3,170 shoe stores at the end of the year) and Melville Corp.'s Thom McAn, Meldisco and Open Country. At year end, Meldisco operated 2,062 stores nationwide; Thom McAn, 1,060 stores.

The Brown Group (which has some non-footwear manufacturing operations) has the largest number of retail outlets (Wohl and Regal), with a total of 4,324 stores and leased shoe departments at the end of 1985.

The year 1985 was a difficult one for shoe retailers. Increased competition from discounters and off-price retailers led to heavy price promotions, especially in the popular price footwear segment. Ten companies classified as primarily footwear retailers in the FN analysis suffered an overall 58% decline in profits compared with 1984, while total sales were nearly flat, dropping 0.1%. The diversified retailers did better. Kinney registered a gain of almost 12% in sales and 22% in operating profits; Volume Shoe (May Department Stores) chalked up a 28.2% sales gain, and a 25.8% rise in profits. Melville's shoe stores, on the other hand, showed a sales gain of only 5.8% for the year, while operating profits were up 3.2%.

Leading Footwear Retailers
Sales & Operating Profit Results, 1984, 1985
(Millions of dollars)

	Footwear Sales			Operating Profit		
	1985	1984	% Change 1985/84	1985	1984	% Change 1985/84
Kinney (Woolworth)	$1,586.0	$1,419.0	+ 11.8%	$189.0	$155.0	+21.9%
Melville Corp.	1,506.2	1,423.3	+ 5.8	158.0	153.1	+ 3.2
Brown Group	1,074.0	1,127.0	- 4.7	82.3	89.9	- 8.5
Volume Shoe (May Dept. Store)	696.7	543.4	+ 28.2	97.6	77.6	+25.8
Morse Shoe	541.6	526.5	+ 2.8	22.8	24.7	- 7.7
Genesco Inc.	538.5	463.3	+ 16.2	10.7	30.6	-65.0
Composite results	$5,942.4	$5,502.5	+ 8.0	$560.4	$530.8	+ 5.6

Source: Fairchild market research department based on company reports.

Shoe Stores (continued)

The National Shoe Retailers Association (NRSA) compiles an annual Shoe Store Operations Survey (SSOS) covering independent shoe stores. The 1985 results showed 31.3% of the 1,508 stores in the survey reporting a loss, as pretax profits averaged just 2.6% of sales, down from 3.1% in 1984. However, this was an improvement compared with the 1983 average of 1.2% and 1.3% in 1982.

According to SSOS studies, from 1983-1985 independent footwear retailers were unable to generate increases in gross margin equal to inflation. In this period, gross margins increased 6.3%, while inflation increased 11.7% and sales rose only 7%. Pressure on margins, according to NRSA, was caused by the heavy price promotions in 1985 run by "regular price" shoe stores and department stores, in an attempt to counter competition from off-price stores and discount houses.

The average initial markup in 1985 was 53.05%. Markdowns ranged from a low of 13.6% of sales in men's shoe stores to a high of 29.9% in women's shoe stores, with an average of 19.6%.

According to a survey of operating expenses for independent shoe stores and small footwear chains conducted annually by RMSA (Retail Merchandising Service Automation), operating expenses in 1985 represented 38.7% of sales, up from 37.9% in 1984. Major expense areas were payroll (15.2%), rent (5.4%), advertising and promotion (3.6%). A factor in increasing percentages of sales accounted for by advertising and promotion was said to be the growing practice of mall landlords to set a requirement on advertising as part of the store's lease arrangement.

Advertising expense ratios for publicly-held shoe store firms, based on an analysis of 10-K reports are compiled annually by Schoenfeld & Associates, Evanston, Ill. The following summary report was published in Advertising Age.

Show Store Advertising Expenditures: 1982-1985

Year	Ad Dollars As A % of Sales	Ad Dollars As A % of Margin*	Ad Dollars Annual Growth Rate %
1985	2.2%	6.1%	0.6%
1984	2.0	5.5	4.4
1983	1.6	4.0	10.2
1982	1.6	4.1	10.9

* Margin is net sales less cost of good sold.

Source: Pansophic Systems and Schoenfeld & Associates (Advertising Age, September 15, 1986)

RETAIL TRADE

Department Stores

In the 1982 census of retail trade, unlike earlier censuses, leased shoe departments were not included in the footwear sales information for department stores, or other stores in which operated, but were counted as separate retail establishments. Reported footwear and related product (laces, polishes, etc.) sales amounted to $2.7 billion. Of this total, men's and boys' footwear accounted for 29.8%; women's and girls', 63.5%; children's (not including infants' and toddlers'), 5.9%; related footwear products, 0.8%.

Footwear & Related Product Sales in Department Stores: 1982
(Not including leased departments)

	Establishments		Amount (thous. $)	Footwear Sales % of total sales of--	
	Number	%		Estabs. selling footwear	All Estabs.
Department stores, total-all depts.	9,981	100.0	$99,170,163	--	100.0
Footwear & related products, total	5,290	53.0	2,685,556	3.9	2.7
Men's & boys'	4,814	48.2	801,538	1.3	0.8
Women's & girls'	5,092	51.0	1,704,678	2.5	1.7
Children's*	3,007	30.1	157,975	0.4	0.2
Related products	nr	--	21,367	--	**

* Not including footwear for infants and toddlers, which are included in data on children's wear departments.
** Less than 0.1%.
nr not reported.

Source: U.S. Bureau of the Census, 1982 Census of Retail Trade RC82-1-3

Each store location is separately counted as an "establishment". Department stores include both traditional department stores and discount department stores which meet the definition of this store type under the Standard Industrial Classification (SIC) system. Department stores operated by mail order chains (such as Sears) are included in the above table. (By definition, all department stores have 25 or more paid employees).

Overall, department store business has become increasingly concentrated among larger firms, operationg a number of stores. In 1982, there were 502 department store firms -- that is, companies such as Federated, Dayton Hudson, R.H. Macy, etc. -- operating 9,981 department stores (including discount department stores, etc., as noted above). The count on firms should be clearly distinguished from individual companies or divisions operated by these firms, which control the buying for their stores -- such as Bloomingdale's, New York, a division of Federated Department Stores. Counts at the divisional level are not available through census reports.

Department Stores (continued)

In 1985, total sales of department stores amounted to $134,744 million compared with $129,054 million in 1984, according to the U.S. Bureau of the Census. If the 1982 census findings on footwear's contribution to sales (not including leased departments) holds up, footwear sales in department stores amounted to about $3.6 billion last year and about $3.5 billion in 1984.

The National Retail Merchants Association (NRMA) compiles an annual report on Merchandising & Operating Results (MOR) in department stores. The most recent figures cover typical (median) results based on stores' reports covering 1984 operations.

Men's shoe departments registered the strongest gain in sales in 1984 compared with 1983, with a median rise of 10.7%, followed by junior/teens' shoe departments, with a gain of 10.3%.

Department Store Footwear Departments: Selected Operationg Ratios, 1984
(Stores With A Total Volume Over $1 Million)
(Median Results -- Upstairs Departments)

	Total All Shoes	Women's & Misses' Dress/Casual Shoes	Juniors' & Teens' Shoes	Men's Footwear	Children's Footwear
(Number reporting)	(40)	(26)	(25)	(32)	(18)
Cumulative markon, %	51.3%	52.0%	52.6%	47.6%	48.0%
Markdowns, % of net sales	24.8	27.2	24.5	17.9	26.4
Gross margin, % of net sales	42.1	42.0	42.8	42.1	38.6
Net sales, % chg. 1983/82	5.5	8.6	10.3	10.7	- 4.2
Net sales, % of total store	4.7	2.9	0.9	0.8	0.2
Returns, % of gross sales	12.6	13.7	13.8	10.3	nr
$ sales per sq. ft. of selling space	$189.9	$224.6	$250.8	$128.8	nr
Stock turns (times)	2.0	2.2	2.3	1.5	1.3

nr not reported.

Source: National Retail Merchants Association, Merchandising & Operating Results, (1985 Edition).

Specialty Stores

Footwear sales in apparel specialty stores with payroll amounted to $12,545.3 million in 1982, according to the census of retail trade conducted by the U.S. Census Bureau. This total excluded sales of leased shoe departments operating in specialty stores (which were treated as separate shoe stores by the Census Bureau). Reported footwear sales accounted 22.1% of total specialty store sales and 47.9% of sales of the 57,443 specialty stores with payroll reporting footwear sales (out of a total store count of 134,137).

Specialty Stores (continued)

Footwear Sales in Apparel Specialty Stores (With Payroll), 1982

	Number of Establishments		Footwear Sales		
	Total	Selling Footwear	Amount (mil. $)	% of total sales of Stores Selling Footwear	All Stores
Apparel & accessories stores, total	134,137	57,443	$12,545.3	48.9	22.1%
Men's wear stores	17,480	5,242	291.2	10.6	3.8
Women's wear stores	50,961	4,322	356.9	11.2	1.6
Family clothing stores	17,859	9,317	870.6	10.3	6.5

Source: U.S. Bureau of the Census, 1982 Census of Retail Trade (RC82-1-3)

The trade association, Menswear Retailers of America, compiles an annual mail survey among member stores to arrive at typical (median) operating results by type of merchandise. The typical results for reporting men's wear stores in shoe departments was reported as follows:

Men's Wear Stores: Selected Operating Ratios for Men's & Boys' Shoe Departments, 1985

(Median results)

	% of Total Store Sales	% Change in Sales 1984/1983	Markdowns % of Men's Shoe Sales	Stock Turns Per Year (times)
Men's & boys' shoes:				
Firms handling men's wear only	3.6% (32)	+ 0.1% (24)	21.4% (20)	1.5 (13)
Firms which also handle women's wear	3.7% (43)	+ 1.4 (35)	12.6 (32)	1.3 (23)

Source: Menswear Retailers of America, MRA Annual Business Survey (June 1986)

CONSUMER BUYING HABITS

Footwear purchases are tracked on a regular basis, covering three four-month periods throughout the year by Footwear Market Index (FMI), Kormos, Harris & Associates, Nashville, TN. Purchase records for each period, covering footwear for men, women, girls, boys and infants, are obtained through mailings to three demographically balanced nationwide panels of 50,000 households in each period -- 25,000 reporting on footwear for males, 25,000 reporting on footwear for females.

Following are findings on shoe types purchased, place of purchase, etc., based on purchases tracked in 1984 and 1985.

FMI Profile of Purchases of Men's Footwear: 1984, 1985

	1985	1984
Total projected pairs purchased	100.0%	100.0%
Percent distribution		
Styles:		
Dress	29.5	30.9
Casual	13.1	13.7
Work/duty shoes	10.5	10.4
Athletic footwear, including sneakers	40.7	37.1
Western/casual boots	2.4	3.2
Other	3.8	4.7
Sale vs. regular price:		
Sale price	52.1	51.3
Regular price	47.9	48.7
Average price paid (regular & sale)	$ 36.04	$ 36.21
Percent of reported purchases by region:		
Northeast	21.6%	21.9%
North Central	24.0	24.7
South	34.9	33.9
West	19.5	19.5
Total projected pairs purchased		
Percent of purchases by outlet type:		
Catalog chain (Sears, Penney, Ward)	12.8%	13.2%
Department store	8.6	9.4
Discount store (K mart, Target, etc.)	18.1	16.6
Shoe store	35.8	36.4
Sporting goods store/pro shop	7.1	7.2
Mail order	3.1	3.4
Apparel specialty store	2.4	3.1
Factory outlet	2.7	4.0
Other	9.4	6.7

FMI Profile of Purchases of Women's Footwear, 1984, 1985

	1985	1984
Total projected pairs purchased	100.0%	100.0%
Percent distribution		
Styles:		
Pumps	23.4	23.1
Other dress shoes	7.0	6.4
Sandals (dress & casual)	20.2	22.7
Casual/boot/jean shoes	4.3	5.2
Loafer/penny mocs	6.8	6.3
Other casual shoes	10.6	9.9
Athletic footwear, incl. sneakers	18.0	17.2
Work/duty shoes	2.5	2.4
Western/high/low boots	3.0	3.1
Fashion dress boots	1.8	1.8
Other footwear	2.4	2.2
Sale vs. regular price:		
Sale price	55.7	53.6
Regular price	44.3	46.4
Average price paid (regular & sale)	$ 24.76	$ 24.86
Percent of reported purchased by region:		
Northeast	22.5	22.7%
North Central	25.1	24.6
South	33.9	34.8
West	18.5	13.1
Percent of purchases by outlet type:		
Catalog chain (Sears, Penney, Ward)	10.1	11.5%
Department store	14.8	15.8
Discount store (K mart, Target, etc.)	16.0	13.9
Shoe store	41.1	39.3
Sporting goods store/pro shop	2.1	2.0
Mail order	2.3	2.1
Apparel specialty store	2.3	2.8
Factory outlet	3.0	3.5
Other	8.3	9.1

FMI Profile of Footwear Purchases for Boys' Girls' and Infants, 1984, 1985

	Boys' Footwear*		Girls' Footwear*		Infants' Footwear*	
	1985	1984	1985	1984	1985	1984
Projected total pairs purchased	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Percent distribution						
Styles:						
Dress	12.5	13.5	18.8*	18.5*	--	--
Casual	8.3	8.4	17.6	13.8	--	--
Work shoes/boots	1.8	2.1	0.4	0.2	--	--
Athletic/footwear, incl. sneakers	72.1	69.7	39.9	41.7	--	--
Boots	3.0	1.9	5.2	1.6	--	--
Other	2.3	4.4	18.1	24.2	--	--

(continued)

FMI Profile of Footwear Purchases for Boys' Girls' and Infants, 1984, 1985
(continued)

	Boys' Footwear*		Girls' Footwear*		Infants' Footwear*	
	1985	1984	1985	1984	1985	1984
Sale vs. regular price:						
Sale price	51.3	50.3%	49.4%	47.6%	36.6%	34.5%
Regular price	48.7	49.7	50.6	52.4	63.4	65.5
Average price paid (regular & sale)	$16.95	$16.95	$14.87	$15.44	$12.62	$13.78
Percent of purchases by outlet type:						
Catalog chain	13.7%	18.6%	10.2	12.1%	6.7%	9.7%
Department store	7.0	7.3	7.6	9.1	6.6	6.5
Apparel Specialty Store	1.1	1.5	1.0	1.6	1.6	2.4
Discount store	29.0	27.1	30.8	25.0	32.7	26.9
Shoe store	36.4	34.7	40.7	42.1	41.2	46.9
Sporting goods/pro shop	3.7	3.9	0.8	1.6	0.5	0.5
Factory outlet	1.4	2.0	1.6	1.8	1.2	0.7
Other	7.7	4.9	7.3	6.7	9.5	6.4

* Includes pumps

Source: Kormos, Harris' & Associates, Nashville, TN, (Footwear Market Index).

Shoe Sizes (Adult)

Distribution of Shoe Purchases By Adult Shoe Size
(Percent of Total Footwear Purchases Tracked in 1983)

	Percent
Men's footwear, total	100.0%
Shoe size:	
Under 7	4.9
7 - 7 1/2	7.5
8	7.0
8 1/2	9.0
9	11.9
9 1/2	11.7
10	12.3
10 1/2	11.8
11 - 11 1/2	11.6
12	6.7
Over 12	5.5

Shoe Sizes (Adult) (continued)

Distribution of Shoe Purchases By Adult Shoe Size
(Percent of Total Footwear Purchases Tracked in 1983)
(continued)

	Percent
Women's footwear, total	100.0%
Shoe size:	
Under 5	1.4
5 - 5 1/2	6.6
6	8.3
6 1/2	7.6
7	14.6
7 1/2	12.1
8	16.3
8 1/2	9.2
9 - 9 1/2	12.6
10	6.2
Over 10	5.3

Source: Kormos, Harris' & Associates, Nashville, TN (Footwear Market Index).

Teenage Girls

Every two years, Seventeen magazine conducts a survey among a cross-section of teenagers who are members of their Consumer Panels on fall/winter wardrobes--particularly purchases for going back to school.

The most recent survey was conducted in September 1984. Findings represented a nationwide total of 8,543,000 female teenage students. Projected spending for footwear totaled $985,029,000. 93.5% of the girls had purchased shoes, and 32.7% had purchased boots for back-to-school wear.

Back-To-School Footwear Purchases by Teenage Girls

	No. of Pairs	Expenditures
Projected total (thousands)	32,686	$ 985,029
Percent	100.0%	100.0%
Types of footwear purchased:		
Casuals	31.6	30.3
Dress	21.0	22.2
Sandals/thongs	4.5	2.7
Clogs	0.3	0.3
Jogging shoes	9.5	9.3
Tennis shoes	10.9	9.9
Formal evening	1.9	2.4
Moccasin-type shoes	6.2	5.0
Slippers	1.9	0.7
Boots	11.6	16.6
Other	0.6	3.3

Source: Seventeen's Back-To-School Study, 1985.

SCHEDULE OF ADDITIONAL FACT FILES

COATS, SUITS, RAINWEAR, AND FURS (WOMEN'S, MISSES' AND JUNIORS'): Details number of manufacturers by employment size, cuttings, and value of shipments. Also covered at the industry level are price trends and imports/exports. At the retailer level, data is presented on estimates of retail volume, sales share by outlet, merchandising and operating results, and also focuses on consumer buying habits and plans.

CONSUMER MARKET DEVELOPMENTS: Provides a detailed view of consumers in the U.S., including population by age and income, number of households and living arrangements, school enrollment, educational attainment, the labor force, employment and earnings. Also covers trends in consumer prices, in personal consumption expenditures by product classification, and the outlook for consumer markets based on current economic trends.

DEPARTMENT STORE SALES (Including Selected Major Apparel Specialty Store Sales): Covers sales and the number of stores operated, listed by geographic region and state based on buying headquarter locations. Lists branch store sales where available, as well as plans to open new stores. Sales information on major general merchandise/apparel retail chains, which are listed alphabetically, and a list of department stores with sales of $50 million or more, are included. (1985 Edition available now -- 1986 Edition available in November)

DRESSES & RELATED APPAREL (WOMEN'S, MISSES' AND JUNIORS'): Statistics on the dress and related women's apparel industry, including trends in the number of manufacturers and in production and shipments. Also data on retail sales by outlet type and on consumer buying habits.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Information on a wide range of fashion accessories including jewelry, watches, gloves, belts, handbags, small leather goods, luggage, neckwear, hats. Includes key information at manufacturer level, as well as sales and consumer data.

FOOTWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A statistical summary of the U.S. footwear industry and footwear markets. Covers domestic production, shipments, and imports. Provides retail sales and merchandising statistics, including sales share by outlet type.

HOME TEXTILES: Information on the industry includes the latest data on number of manufacturers, production and shipments for a wide range of products, including bed linens, towels, blankets and comforters, slip covers, pillows, curtains and draperies. Trends in merchandising, departmental operations and sales by outlet type.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet and on patterns in consumer spending.

HOUSEHOLD FURNITURE AND BEDDING: Contains U.S. industry-wide data on quantity and value of manufacturers' shipments of furniture and bedding (mattresses and dual-purpose sleep furniture). Retail information includes sales by store type, consumers' furniture style preference, etc.

INFANTS', TODDLERS', GIRLS' AND BOYS' WEAR: Manufacturer data spotlights production, value of shipments, number of manufacturers, employment in the industry by company size, price trends. At the retailer level, data focuses on sales share by type of outlet and on operating ratios in department and specialty stores.

INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR (WOMEN'S, MISSES' & JUNIORS'): Data on production and shipments, tracing market shifts in response to fashion changes, retail trends, sales by outlet type, and merchandising ratios.

MAJOR APPLIANCES AND ELECTRIC HOUSEWARES: Covers a wide range of products in the major appliance and traffic appliance classifications, including equipment, and personal care appliances. Details production and shipments, sales trends, sales by outlet type and retail merchandising results.

MEN'S FURNISHINGS AND WORK WEAR: Includes information on number of manufacturers, production and shipment figures on shirts, underwear, nightwear, neckwear, hats, etc., size of firms, imports and exports. Also provides data at the retail level, including sales and merchandising trends, operating ratios, and sales share by type of outlet.

MEN'S SPORTSWEAR, CASUAL WEAR AND JEANS: The wide variety of men's wear items included in this broad category are covered from available information on the industry at the manufacturer, retailer and consumer level. Included is information on production and shipments, market trends, retail sales by outlet type and consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES AND RAINWEAR: Manufacturer level profiled by production value of shipments, employment, size of firms. Data is presented on retail sales, sales share by outlet type and operating ratios. Also data on consumer buying habits.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade recently issued by the U.S. Census Bureau.

THE SPORTS/FITNESS/LEISURE MARKETS: Covers developments in the rapidly changing markets for sports and physical-fitness-related merchandise. Contains statistical data on sports equipment, apparel and footwear as well as information on the number of participants in various sports. Also includes findings in a survey on specialized sporting goods retailer operations.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits.

A STATISTICAL ANALYSIS OF RETAILING: A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Includes information on the number of outlets by store type, sales, market shares by type of major merchandise classification, sales concentration by size of retail organization, geographical changes, etc. Comparisons (where valid) are made with findings in the last previous census, covering operations in 1977.

THE TEXTILE/APPAREL INDUSTRIES: Industry overview, providing statistics on fibers and fabrics as well as finished goods. Includes information on industry size, concentration of sales by mill/manufacturer size, production and shipments by U.S. mills, as well as exports and imports for end-use markets. Covers capital expenditures and data on mill machinery.

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry-wide statistics and projections, as well as data on leading manufacturers in various product categories. Consumer expenditures, buying habits and usage of various product types are highlighted, as well as data on sales by outlet type and advertising expenditures by major producers.

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DRESSES & RELATED APPAREL
(WOMEN'S, MISSES' & JUNIORS')

MARKET TRENDS

The U.S. dress industry has encountered a number of problems in the past 20 years, some shared by other apparel industries and others rather special. Included among the latter was the change in buyng habits in the 1960's and early 1970's, when many women switched to wearing pants instead of dresses. This affected the housedress, or dozen-price dress segment of the industry, which has virtually disappeared. Many dress manufacturers expanded their offerings to include "pants dresses".

The 1981-1982 recession brought more problems, as women replenished their wardrobes with separates which were less expensive and provided an opportunity for a greater variety of looks. The growing emphasis on a very casual life-style continued to weaken the market for dresses. U.S. dress production declined every year after 1979. By 1985 it was 34% below the 1979 level, and 42% lower than production in 1972.

Besides changes in consumer buying habits the U.S. dress industry has faced competition from soaring imports. Especially from countries with lower labor costs such as China, Taiwan, Hong Kong, South Korea and the Philippines. In 1983, the quantity of dresses imported into the U.S. -- including women's and children's -- jumped 48%. The value of imports (not including shipping charges, insurance, duty, etc.) went up 60%. In 1984, imports increased 26% in quantity and 42% in value compared with 1983.

The rapid growth in imports slowed in 1985, with quantity up 18%, value gaining 27% compared with 1984. Nevertheless, imports' share of the domestic dress market (in quantity) reached a record high in 1985, estimated by the US. International Trade Commission at 19%, up a third over the 1983 share. Some import curbs are being put in place.

Some U.S. producers of dresses and apparel are attempting to compete with imports by shifting production to the Caribbean under the Item 807 program in the Tariff regulations. This allows manufacturers to cut garments in the U.S., ship the pieces to be sewn overseas, then shipped back as finished products. Duty is paid only on the value added overseas, and the lower labor costs prevailing abroad still give U.S. manufacturers a competitive edge. However, other manufacturers and retailers are sourcing finished garments overseas, and shopping all markets to get the best buys.

Due to the growth in the labor force, interest in dresses has revived particularly with the number of women who are in managerial positions. Dresses have become important for office and social occasions. The industry has stepped up efforts to meet the needs of this market with a great variety of fashions and fabrications. Sportswear vendors, aware of the strengthening market are expanding their lines to include dresses. Among these vendors is Liz Claiborne, reported to be doing better than $90 million in dresses, as well as Leslie Fay and Espirit.

An exact figure on the annual retail value of the U.S. women's dress market is not available. However, it is roughly estimated at $10 billion to $15 billion.

MARKET TRENDS
(continued)

Fall 1986 reorder business on dresses was reported to be stymied by high retail inventories, particularly in private label merchandise. However, in looking ahead to the more important spring market for dresses, most resources were reported to be planning on double-digit sales gains.

Dresses continue to represent an important fashion trend. Change sells, and the shift to longer fuller skirts is bringing a change of silhouette. Two-piece looks are performing well at retail, and are expected to remain strong.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

The value of all products shipped by the U.S. dress industry including dresses, as well as secondary products, plus receipts for contract work and miscellaneous income amounted to an estimated $5.1 billion in 1985. The latest figure issued by the U.S. Department of Commerce, Bureau of the Census, placed the 1984 total at $4,996 million, which was 2.8% over the 1983 total, valued in current dollars. The value of dress industry shipments, and other receipts in 1984 gained 5.1% compared with 1982.

The International Trade Administration has compiled information on the value of dress industry shipments on a constant dollar basis, eliminating the effects of inflation. In 1972 dollars, the value of dress industry shipments declined at a compound annual rate of -2.8% from 1977 to 1982. Reported below are trends in measured terms of the 1982 dollar, which the ITA now uses as a base.

Women's, Misses' & Juniors' Dress Industry Shipments, 1982-1985
(Value in 1982 dollars)

Millions of Dollars				Percent Change		
1985(e)	1984(e)	1983	1982	1985/84	1984/83	1983/82
$4,486	$4,771	$4,764	$4,623	- 6.0	+ 0.2	+ 3.0

(e) estimated
* compiled before 1985 Census Bureau figures were released.

Source: U.S. Department of Commerce
International Trade Administration:
1986 U.S. Industrial Outlook

GENERAL INDUSTRY STATISTICS

A complete census of all manufacturers in the U.S. which have one or more paid employees is compiled every five years by the Bureau of the Census. The latest census covers operations in the year 1982. In intercensal periods, the Bureau compiles annual surveys of manufactures to develop estimates on key measurements of manufacturing activity, comparable to census of manufactures data.

Womens', Misses' & Juniors' Dress Industry (SIC 2335*)

	1984	1983	1982	1977	% Change 1984/1982
Number of companies	na	na	5,489	5,924	na
Number of establishments, total**	na	4,395#	5,627	6,112	na
Employees, total (thous.)	124.3	139.5	137.9	168.6	- 9.9%
Production workers (thous.)	107.0	121.7	120.0	146.8	-10.8
Payroll (mil. $)	$1,253.3	$1,543.0	$1,268.3	$1,153.4	- 1.2
Value added by manufacture (mil. $)***	2,640.8	2,548.3	2,413.2	2,152.3	+ 9.4
Value of industry shipments (mil. $)##	4,995.9	4,858.9	4,623.3	4,047.5	+ 8.1
Capital expenditures, new (mil. $)	52.8	34.8	68.1	43.9	-22.5
Machinery and equipment (mil. $)	na	na	57.6	na	na

na not available

* SIC (Standard Industrial Classification) 2335 covers cut-and-sew shops primarily engaged in manufacturing women's, misses', and juniors' dresses, ensemble dresses and pants dresses. It also includes manufacturers of dresses which are cut and sewed from purchased knit fabric. Dresses made in knitting mills valued at $15.1 million in 1982, $78.6 million in 1977 are not included.

** Covers manufacturing establishments (plants) with each location being separately counted. Separate auxiliary locations serving the plants (i.e., administration offices, sales offices, etc.) are not included. The dress industry data includes 2,105 regular, or inside factory operations. Plus, 644 jobbers and 2,877 contractors. The functions of a jobber involve buying raw materials and marketing the finished product, but the actual processing of the product is done on contract in an outside factory. The function of of a contractor is to make products in his establishment to defined specifications from materials owned by others. Unlike manufacturers and jobbers, the contractor is not involved in the actual sale of finished goods.

*** Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods, other materials, contract work, etc., from the value of shipments with adjustments for finished product inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others. It is for most purposes the best value measure of individual industries.

Covers establishments with paid employees only, as reported in County Business Patterns.

(footnotes continued)

## Value of dress industry shipments includes receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary and secondary products made in the industry. Figures on shipments of dresses by all producers, including those classified in other industries, ar shown in the section on PRODUCT SHIPMENTS.

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
MC82-1-23B, M82-S-1

Annual Survey of Manufactures, 1983, 1984

Industry Concentration

The dress industry is composed primarily of small companies, most of which (97% of the 1982 total) operate only one plant. These single-plant companies accounted for about 72% of industry shipments. The 50 largest companies had only a 28% share of shipments in 1982 -- the same as in 1977 and 1972.

Single and Multiunit Companies' Share of the Dress Industry, 1984

	No. of Companies	Plants		Employees		Value of Industry Shipments	
		No.	%	Thous.	%	Thous. $	%
Total	5,489	5,627	100.0%	137.9	100.0%	$2,413.2	100.0%
Multiunit companies	164	302	5.4	28.2	20.4	679.5	28.2
Singleunit companies	5,325	5,325	94.6	109.7	79.6	1,733.7	71.8

Source: U.S. Bureau of the Census, 1982 Census of Manufactures: Type of Organization, Subject Series MC82-S-5

Women's & Misses' Dresses
Share of Value of Industry Shipments Accounted for By The Largest Companies

	No. of Companies	Total (mil. $)	Value of Industry Shipments* Percent accounted for by largest companies: 4 largest	8 largest	20 largest	50 largest
1982	5,489	$4,623.3	6%	10%	17%	28%
1977	6,753	4,188.6	8	12	19	28
1972	5,295	3,580.0	9	13	18	28

* For an explanation of terms see page 3.

Source: U.S. Bureau of the Census
1982 Census of Manufactures:
Concentration Ratios in Manufacturing (MC82-S-7)

GENERAL INDUSTRY STATISTICS

Industry Concentration

About half of the dress industry shipments in 1982 were accounted for by plants with under 50 employees, but these plants represented 88% of all plants classified in the industry. The 218 plants which had 100 or more employees (3.9% of the total) accounted for 28% of the total value of dress industry shipments according to the census of manufactures. At the other end of the scale, the 3,572 plants (63.4% of the total) which had fewer than 20 employees accounted for only 21% of the value of shipments.

Concentration by Employment Size, 1982

	Establishments		Value added by Manufactures *		Industry Shipments*	
	Number	%	(Mil. $)	%	Mil. $	%
Women's & misses' dress industry --	5,627	100.0%	$2,413.2	100.0%	$4,623.3	100.0%
By establishment (plant) size:						
Under 20 employees	3,572	63.4	478.0	19.8	972.5	21.0
20 - 49 employees	1,360	24.2	718.2	29.8	1,395.5	30.2
50 - 99 employees	477	8.5	523.8	21.7	961.0	20.8
100 or more employees	218	3.9	693.2	28.7	1,294.3	28.0

* For an explanation of terms, see page 3.

Source: U.S. Bureau of the Census 1982 Census of Manufactures
MC82-1-23B

Over half of the plants classified in the dress industry are operated by contractors. A good share of them are small sewing shops, operating in lofts or small quarters with non-unionized employees. An increasing extent of this work is being taken over by Asians and Latin Americans. Many Koreans are opening factories in the garment industry, investing in new technology but working long hours with few workers until they become established.

Employment Size of Plants in the Women's Dress Industry
By Type of Operation

	Manufactures		Jobbers		Contractors	
	Number	%	Number	%	Number	%
Plants, total	2,105	100.0	644	100.0	2,877	100.0
Number of employees:						
1 - 19	1,676	79.6	437	67.8	1,459	50.7
20 - 99	384	18.2	184	28.6	1,269	44.1
100 or more	45	2.2	23	3.6	149	5.2

Source: U.S. Bureau of the Census
1982 Census of Manufactures MC82-1-23B

GENERAL INDUSTRY STATISTICS

Industry Concentration (continued)

In addition to the 1982 census of manufactures information covered above, the Bureau issues annual figures on the number of establishments (plants) by employment size. The latest available report covers the year 1983. This report indicated a decline of almost 22% in the number of plants classified in the industry with most of the fallout among plants with fewer than 20 employees.

Number of Women's Dress Manufacturing Establishments
By Employment Size, 1983

	Establishments	
	Number	% of total
Women's & misses dresses (SIC 2335)	4,395	100.0%
By establishment size:		
Under 20 employees	2,440	55.5
20 - 49 employees	1,260	28.7
50 - 99 employees	469	10.7
100 or more employees	226	5.1

Source: U.S. Bureau of the Census
County Business Patterns 1983

EMPLOYMENT & EARNINGS

From an annual average of 211,600 employees in 1972, dress industry employment dwindled to an average of only 96,000 in 1985, and the 1986 average is expected to be lower. The number of plants classified in the U.S. dress industry dropped from 5,295 in 1972 to 4,395 in 1983 according to the latest Census Bureau count. Imports have brought about this decline as well as competition for the consumer dollar from sportswear and separates.

The women's dress industry is labor intensive and manufacturing costs in the U.S. are significantly higher than those of off-shore producers, particularly those in the Far East. U.S. manufacturers have not only consolidated their operations, but many have upgraded equipment (installing computer-aided sewing machines, updated pattern-cutting equipment, etc.) to compete. To increase productivity others are utilizing non-unionized workers from Korea and South America who work longer hours.

Sourcing overseas by retailers and U.S. manufacturers is a factor in the decline in the industry. In addition, some manufacturers are availing themselves of the provisions of the 807 rule in the Tariff code which allows them to cut garments in the U.S., ship the pieces abroad for assembly in plants with lower rates, then import the finished garment. Duty must be paid only on the value added in the assembling of the garment abroad.

Trends in Employment and Earnings in the Dress Industry, Selected Years 1972-1986

(Annual Average except where noted)

	Total Employment (thous.)	Production Workers Employment (thous.)	Production Workers Average Weekly Earnings	Production Workers Average Hourly Earnings	Production Workers Average Weekly Hours
June average					
1986	94.6	79.9	$199.25	$5.93	33.6
1985	117.5	81.0	193.54	5.76	33.6
Annual average					
1985	96.0	80.7	195.46	5.80	33.7
1984	113.8	96.5	188.10	5.70	33.0
1983	123.1	105.6	180.73	5.51	32.8
1982	137.9	120.0	na	na	na
1977	168.6	146.8	na	na	na
1972	211.6	186.5	na	na	na

na not available

Source: U.S. Department of Labor, Bureau of Labor Statistics

Monthly Pattern in Dress Industry Production Worker Employment 1983-1985

(Index: Years Average = 100)

	1985	1984	1983
Years Average	100.0	100.0	100.0
January	101.6	104.7	98.4
February	105.4	109.3	102.5
March	106.8	112.4	104.2
April	103.8	110.7	102.2
May	100.5	106.1	100.7
June	100.4	103.3	100.8
July	93.5	92.3	97.0
August	97.4	97.0	98.3
September	99.7	94.0	98.0
October	97.1	93.0	99.8
November	97.5	90.2	99.3
December	96.4	86.9	98.1

Source: Based on Bureau of Labor Statistics reports

GENERAL INDUSTRY STATISTICS

Location of the Industry

The U.S. dress industry is concentrated in New York City. To an increasing extent garment district space is being switched from cutting, sewing, pressing to showroom space because of the high cost of operations, and the shift in production to overseas plants. Employment in the garment industry has been declining for seven years, but there are signs that it is stabilizing.

One factor in helping to keep production workers in the New York garment industry has been the increase in the number of immigrants from Hong Kong, South Korea, China and Taiwan. Many of them are skilled garment workers who have found employment in factories in New York's Chinatown and Lower East Side, where rents are cheaper than Seventh Avenue. These factories have a willing and hardworking labor force able to do work immediately and meet the need of manufacturers -- and their retail customers for a "Quick Response".

The following table covers the states which lead in the value added by manufacture in plants classified in the women's and misses' dress industry. New York is the leader, accounting for almost 38% of the value added by manufacture. California follows with a 19% share.

Industry Statistics for Leading States, 1982

			Employees		Value added By Manufacture	
	Total	With 20+ Employees	Number (thous.)	%	Mil. $	%
Women's and misses' dresses, U.S. total	5,627	2,055	137.9	100.0%	$2,413.2	100.0%
Leading states:						
New York	2,053	761	41.9	30.3	904.1	37.5
California	1,699	401	25.8	18.7	458.5	19.0
Pennsylvania	400	286	20.2	14.6	281.6	11.7
Florida	375	116	7.5	5.4	112.1	4.6
Texas	138	57	5.8	4.2	102.9	4.3
New Jersey	303	111	6.0	4.4	83.3	3.5
Massachusetts	86	46	4.1	3.0	61.9	2.6
Illinois	57	29	2.2	1.6	51.6	2.1
Virginia	34	23	3.0	2.2	43.3	1.8
North Carolina	53	28	3.1	2.2	41.7	1.7

Source: U.S. Bureau of the Census, 1982 Census of Manufactures Industry Series MC82-I-23B

PRODUCTION

The U.S. Bureau of the Census compiles monthly and annual reports on production of dresses by U.S. producers. This includes those cut or knit within the 50 States of the U.S. from material owned by the reporting company or by others on its account. In addition, dresses which are cut in the U.S., sent outside the country to be sewn, and shipped back to the U.S. under the 807 import category are included.

The figures are compiled through mail surveys among all known manufacturers and jobbers of women's dresses, except very small firms (generally less than five employees).

PRODUCTION

In the first seven months of 1984, 84,375,000 women's misses' and juniors' dresses were manufactured according to the Bureau. this was 9.5% below the total reported in the same period of 1985. The annual summary report for 1985 issued by the Census Bureau indicated that output in 1985, totaling 152,060,000 units, was 4.3% below the 1984 total.

U.S. Production of pantsuits in 1985 fell 2.5%, overall, below the 1984 total. However, output of pantsuits in knit fabrics gained a healthy 25.4%. Overall production of washable service apparel declined almost 5.0%, but items in woven fabrics registered a 5.3% gain vs. a 13.4% decline in production of knit fabric uniforms.

U.S. Production of Dresses & Washable Service Apparel
by Fabric and Construction 1984, 1985
(Thousands of units)

	1985	1984	% Change 1985/1984
Women's, misses' & juniors' dresses*	152,060	158,968	- 4.3%
By fabric:			
Woven fabric:	122,112	122,447	- 0.3
All cotton & chiefly cotton	21,582	18,227	+18.4
All manmade & chiefly manmade	93,020	96,529	- 3.7
All wool & chiefly wool	1,739	1,775	- 2.0
All other woven fabrics	5,771	5,916	- 2.5
Knit fabric:	24,466	28,874	-15.3
All cotton and chiefly cotton	3,352	2,345	+42.9
All manmade and chiefly manmade	19,980	25,486	-21.6
All wool and chiefly wool	731	770	- 5.1
All other knit fabrics	403	273	+47.6
Fabric, n.s.k.	5,482	7,647	-28.3
Washable service apparel, including uniforms, medical & lab jackets, smocks, etc.**	2,901	3,052	- 4.9
By construction:			
Woven fabric	2,182	2,072	+ 5.3
Knit fabric	632	730	-13.4
Construction, n.s.k.	87	250	-65.2
By fabric:			
All cotton and chiefly cotton	475	437	+ 8.7
All manmade and chiefly manmade	2,332	2,458	- 5.1
All other fabric Fabric, n.s.k.	94	257	-63.4

*Includes suit-type dresses, formal, work, house, etc.
**Thousands of dozens
n.s.k. not specified by kind

Source: U.S. Bureau of the Census
Current Industrial Reports
Women's & Children's Outerwear, 1985
MA23F(85)-1

The National Cotton Council of America, Memphis, Tenn. has compiled information on production of specific types of washable service apparel.

Production of Washable Service Apparel By Types, 1983-1985
(Thousands of dozen)

	1985(p)	1984	1983
Women's, misses', juniors'			
Washable service apparel			
Uniforms	3,026	2,938	2,820
Knit	552	558	677
Woven	1,226	2,380	973
Other, incl. aprons, smocks, pinafores			
Knit	23	22	28
Woven	1,225	1,238	1,142

(p) preliminary

Source: National Cotton Council of America
Cotton Counts Its Customers (1986 Edition)

Seasonality in Production

Dress cuttings in the U.S. plants are typically at a peak in March/April, declining to a low point in December.

Percent of Year's Cuttings of Dresses by Months, 1983-1985

	1985	1984	1983
Total dress cuttings	100.0%	100.0%	100.0%
By month			
January	9.0	9.2	8.4
February	10.0	11.0	9.4
March	10.0	11.0	11.4
April	10.4	10.1	10.1
May	9.5	9.0	9.3
June	7.6	7.4	8.5
July	7.0	6.9	6.8
August	7.0	7.1	7.6
September	7.9	6.7	7.6
October	8.0	7.8	7.5
November	6.7	7.0	7.2
December	6.7	6.7	6.1

Source: U.S. Bureau of the Census, Current Industrial Reports

Materials Consumed in Production

The census of manufactures is compiled every five years by the Bureau of the Census. It is the source for information on the value of materials used by manufacturers classified in the women's dress industry.

Materials Consumed By Kind 1977, 1982
(Millions of delivered dollars)

	1982	1977
Women's & misses dress industry consumption:		
Materials, containers & supplies, total	$1,372.4	$1,251.2
Broad woven fabrics	383.6	331.0
Purchased knitted fabrics	163.5	222.3
All other materials, containers & supplies	86.9	95.6
Unspecified materials, containers & supplies	738.4	602.3

Source: U.S. Bureau of the Census, 1982 Census of Manufactures
Industry Series MC82-I-23B

PRODUCT SHIPMENTS

In contrast with the value of "INDUSTRY SHIPMENTS" (covered in the section on GENERAL INDUSTRY STATISTICS and defined on page 3) product shipments cover the value of dresses made by all manufacturers regardless of their industry classification. Some manufacturers produce dresses as a secondary rather than a primary product. Therefore, they are classified in other industries.

There are several sources of information on value of shipments such as the monthly surveys conducted by the Census Bureau, the annual surveys of manufactures, and the complete census of manufactures conducted by the U.S. Bureau of the Census every five years (the most recent covered operations in the year 1982).

Data for 1985 was derived through a mail survey of all known U.S. manufacturers and contractors, and including both dresses cut and assembled in the U.S. as well as those partially made overseas under the 807 rule in the Tariff schedule, showed the value of shipments at $3,119.7 million, which was 2.8% below the total for 1984, reported by the Census Bureau at $3,209.0 million (Current Industrial Reports Series MA23F(85)-1). The CIR series does not include small manufacturers with fewer than five employees.

However, the complete census of manufactures and annual surveys, include manufacturers with one or more paid employees. Based on these sources the total value of shipments of women's dresses was $4,896.0 million in 1984, gaining slightly (+0.4%) over the 1983 total.

Shipments of Dresses & Washable Service Apparel 1982-1984
(Millions of current dollars)

				% Change	
	1984	1983	1982	1984/83	1983/82
Women's, misses', juniors' dresses, total	$4,896.0	$4,877.9	$4,534.7	- 0.4%	+ 7.6%
Dresses (reported by U.S. manufacturers)	3,143.8	3,056.4	2,988.6	+ 2.8	+ 2.3
Contract & commission work on dresses	735.5	1,004.1	1,029.1	-26.7	- 2.4
Dresses, n.s.k.	1,016.7	817.3	517.0	+24.4	+58.1
Washable service apparel	263.2	265.9	250.4		

n.s.k. not specified by kind

Source: U.S. Bureau of the Census:
Annual Surveys of Manufactures MA84(AS)-2
1982 Census of Manufactures

The value of dresses made of knit fabric, but cut and sewn by dress manufacturers is included in the above figures. However, the value of dresses made in knitting mills is not. In 1982, the value of women's dresses shipped by knitting mills amounted to $15.1 million, down from $78.6 million in 1972. This information was not published for later years.

PRODUCT SHIPMENTS

While there have been some consolidations within the industry in recent years, the dress industry by its very nature, requiring runs and fast changes in styles, is primarily composed of small manufacturers. According to the 1982 census of manufactures the top 50 U.S. dress manufacturers controlled only 37% of the value of dress shipments. In contrast, the top 50 companies producing washable service apparel in the U.S. had a 98% share of U.S. shipments.

Share of Women's, Misses' & Juniors' Dress and Related Apparel
Shipments By the Largest U.S. Manufacturers, 1977, 1982

	Product Shipments (Mil. $)	% accounted for by the largest companies			
		Top 4	Top 8	Top 20	Top 50
Dresses					
1982	$2,988.6	8%	13%	22%	37%
Washable service apparel					
1982	250.4	32	48	77	98
1977	193.2	33	51	82	99
1972	105.2	36	55	82	99

Source: U.S. Bureau of the Census
1982 Census of Manufactures
Concentration Ratios in Manufacturing MC82-S-7

The research department of the International Ladies Garment Works Union (ILGWU) has compiled long-term trend figures on production and shipments of women's dresses, benchmarked to the 1982 Census of Manufactures reports, but including adjustments for women's wear not specified by kind.

Due to a decline in consumer purchases, production of women's dresses by U.S. producers showed a steady decline from 289.4 million in 1972 down to 227.5 million in 1976. Increases were reported for 1977-1979, but there has been a steady decline since 1979. Responsible for this decline are the sharp increase in imports noted since 1980 and fashion shifts.

The value of dress shipments as compiled by the ILGWU shows a more uneven pattern affected by changing unit values. Figures are in current dollars, without adjustment for inflation.

PRODUCT SHIPMENTS

Trend in Production & Value of Shipments of Women's Dresses By U.S. Manufacturers, 1972-1985

Year	Production (millions)	Value of Shipments (millions of $)
1972	289.4	$ 2,737
1973	279.9	2,878
1974	244.4	2,659
1975	233.9	2,856
1976	227.5	2,949
1977	248.1	3,141
1978	252.3	3,743
1979	252.5	3,770
1980	250.3	3,706
1981	209.6	3,514
1982	189.0	3,391
1983	179.9	3,405
1984	174.9	3,415
1985	167.3	3,320

Source: U.S. Bureau of the Census; Research Dept., ILGWU

In the 1977-1982 period the value of dress shipments by U.S. producers declined at a compound annual rate of -2.8% according to an industry analysis covering the value of shipments in real terms, adjusted for inflation, by the International Trade Administration. Compared with the peak value, in real terms measured in 1973, the value of shipments by 1982 had declined 21.3%.

By State

For a limited number of major products the U.S. Census Bureau has included information on value of shipments by state in 1982 compared with 1977. The following information based on the census of manufactures compiled every five years is for leading states.

Value of Shipments By All Producers in Leading States: 1977, 1982
(Millions of dollars)

Product	1982		1977	
	Value	%	Value	%
Women's, misses' & juniors' dresses, total	$2,988.6	100.0%	na	na
States				
New York	1,555.4	52.0	na	na
California	596.5	20.0	na	na
Pennsylvania	225.2	7.5	na	na
Texas	102.8	3.4	na	na
Florida	77.0	2.6	na	na
All others	431.7	14.4	na	na

(continued)

PRODUCT SHIPMENTS

By State (continued)

Value of Shipments By All Producers in Leading States: 1977, 1982
(Millions of dollars)
(continued)

Product	1982 Value	1982 %	1977 Value	1977 %
Commission work on women's, misses' & juniors' dresses, total	$1,029.1	100.0%	$764.8	100.0%
New York	286.0	27.8	211.6	27.7
California	169.7	16.5	84.5	11.0
Pennsylvania	143.3	13.9	131.2	17.2
Florida	79.7	7.7	39.4	5.2
New Jersey	53.1	5.2	54.2	7.0
All others	297.3	28.9	243.9	31.9
Washable Service Apparel, total	250.4	100.0	194.7	100.0
States				
New York	62.6	25.0	53.3	27.4
California	37.0	14.7	22.8	11.7
Georgia	23.5	9.4	22.1	11.4
Tennessee	18.4	7.3	12.5	6.4
All others	108.9	43.4	84.0	43.1

na not available

Source: U.S. Bureau of the Census
1982 Census of Manufactures
Industry Series MC82-I-22B

PRODUCER PRICE INDEXES

Prices of women's dresses at the U.S. factory level in June 1986 averaged 2.6% above the level in the same month a year earlier, but were 2.9% below the May 1986 level. The June gain was attributable to a sharp rise in the price of cotton dresses, which registered a 12.8% gain over the year-ago level. Dresses made of chiefly synthetic fiber fabrics rose only 0.7% in producer prices in this period.

For the year 1985, producer prices of dresses registered a gain of less than 1% compared with 1984 according to the Bureau of Labor Statistics. The 1985 average was 8% above the index in the December 1980 base period. However, contract work on women's dresses registered a 16% gain compared with the December 1980 level, and by June 1986 was up over 19%.

PRODUCER PRICE INDEXES

Women's, Misses' & Juniors' Dresses
Producer (Factory) Price Indexes, 1984, 1985, June 1986

Base Periods:	Dresses, Total 12/80=100	Chiefly Cotton 5/83=100	Chiefly Manmade 12/80=100	Contract Work on Dresses 12/80=100
June 1986	110.6	117.7	107.4	119.1
Year 1985	108.0	108.1	107.1	116.1
Year 1984	107.2	na	107.9	115.4

na not available

Source: U.S. Department of Labor, Bureau of Labor Statistics

FOREIGN TRADE

Imports

Imports of dresses into the U.S. have soared in recent years. In 1983, the quantity of imports shop up 48% compared with 1982. The Customs value (price paid, not including shipping costs, duty, etc.) rose 60%. In 1984, imports gained 26% in quantity, 43% in value. Gains slowed down in 1985 -- quantity up 18%, value 27%. Nevertheless, imports' share of the domestic dress market reached a record high, estimated at 19%, up one-third over the 1983 share. In the first quarter of 1986, imports growth accelerated, gaining almost 25% in quantity and 34% in value compared with the same 1985 period.

A large part of the import slowdown in 1985 was due to smaller shipments from China which in 1984 had been the largest supplier in terms of quantity, though the third largest in terms of value. Other suppliers registered significant gains however, especiall Hong Kong, Korea and the Phillippines. These suppliers, together with China and Taiwan accounted for roughly two-thirds of total dress imports in 1985.

A significant part of the increase in dress imports last year and in the first quarter of 1986 was in drsses that have not been subject to quota (i.e. those of silk, linen and ramie). In 1985, imports of these dresses totaled 489,000 dozen, valued at $158 million, compared with 275,000 dozen, valued at $88 million in 1984. About three-fourths came from Hong Kong and Korea, and another 16% was supplied by China.

The Multi-Fiber Agreement (MFA) which was renewed on July 31, 1986, has opened the way for the U.S. to negotiate bilateral agreements governing imports of apparel made of silk, linen and ramie. Some agreements have already been worked out with Hong Kong, Taiwan and South Korea, and U.S. interests can be expected to press for more. Efforts by the U.S. textile and apparel industries to get Congress to override the President's veto of the Textile and Apparel Trade Enforcement Act failed in August 1986, but there are new calls for legislation to protect the industry in view of skyrocketing imports.

Imports (continued)

To curb import growth in dresses, the Administration issued four "calls" in 1985 to set quotas on cotton dresses from Brazil, Indonesia, Malasia and Thailand. A fifth call was issued on wool dresses from Taiwan. This brought all imports of cotton, wool and manmade fiber dresses from the four largest suppliers under quota. However, rather than make cut-backs, quotas after negotiation have been increased to the advantage of exporting countries.

Government statistics on foreign trade in dresses combines data on both women's and children's covering USITC summaries of Bureau of Census reports on imports as noted in the table below.

Quantity & Value of U.S. Imports of Women's & Children's Dresses
Annual Totals: 1983, 1984, 1985; 1st Quarter 1985, 1986
(Quantity in thousands of dozens; value in millions of dollars)

	First Quarter 1986	First Quarter 1985	% Change 1986/85	1985	1984	1983	% Change 1985/84
Quantity	1,661	1,332	+ 24.7%	4,644	3,925	3,107	+ 18.3%
Value*	$ 176.8	$ 132.3	+ 33.6	$ 526.6	$ 414.7	$ 290.9	+ 27.0

* Customs value covers the price paid for the dresses by the importer, and does not include duties, freight, insurance etc.

Source: U.S. International Trade Commission
U.S. Trade Shifts in Selected Commodity Areas
(USITC Publications 1864, 1884)

As imports of dresses have increased, U.S. production has declined. An analysis of total new supply of women's and children's dresses (manufacturers shipments minus exports, plus imports) compiled by the Census Bureau, showed imports accounting for 16.9% in terms of quantity and 12.4% in terms of value in 1984. Comparable figures for 1983 were 14.3% and 9.3%, respectively.

A review of the record in past years shows the first big increase in dress imports occurring in 1981. The quantity went up almost 15%, while U.S. production of women's dresses in the same period declined 16%. The recession in the 1981-1982 period lead to a decline in both imports and U.S. production. However, in the following year, imports soared 48%, while U.S. production dropped by 17.2%. This trend was repeated in 1984; imports up 26%; production down (but less than 1%).

In 1985, dress imports rose almost 19% compared with 1984. Total production according to the ILGWU adjusted production figures (page 11) declined 4.3%. The value of imports rose 27%, while the value of shipments of U.S. producers declined 2.8%.

FOREIGN TRADE

Imports (continued)

Imports of Selected Women's & Children's Wear 1980 - 1985
(Thousands of units)

	1985	1984	1983	1982	1981	1980
Dresses, total	55,728	47,101	37,286	25,172	28,041	24,453
Cotton	na	16,063	12,280	9,397	9,396	8,413
Wool	na	2,109	1,022	415	1,109	1,013
Manmade	na	25,626	21,599	13,798	15,839	13,884
Silk, not ornamented	na	3,304	2,385	2,563	1,697	1,143

na not available

Source: ILGWU based on U.S. Bureau of the Census reports.

AT THE RETAIL LEVEL

THE POTENTIAL MARKET

The size of the potential market for women's dresses has expanded not only due to the growth in the adult female population (particularly young adults) but, also from the rapid rise in the number of women in the labor force.

By 1994, the total female population over age 16 is expected to increase 17.2% reaching a total of 103 million. The total female population 35-54 years old is the fastest growing segment, with a gain of 44% expected during this period.

The growth in population 35 to 54 years of age bodes well for the future of the dress industry. Women in this age bracket tend to be in the labor force and are at a point in their careers where earnings have increased significantly.

Female Population Projections 1986, 1994, 2005
(Middle Series)

	Number (Thousands)			% Change	Percent Distribution		
	1986	1994	2005	2005/1986	1986	1994	2005
Total, all ages	123,631	132,251	141,381	+ 14.4%	100.0%	100.0%	100.0%
16 years & over	96,390	102,903	113,018	+ 17.2	78.0	77.9	80.0
16 - 19	7,180	6,426	7,707	+ 7.3	5.8	4.9	5.5
20 - 34	31,353	29,068	26,706	- 14.8	25.4	22.0	18.9
35 - 54	28,564	36,202	41,249	+ 44.4	23.1	27.4	29.2
55 - 64	11,740	11,002	15,399	+ 31.2	9.5	8.3	10.9
65 years & over	17,553	20,205	21,957	+ 25.1	14.2	15.3	15.5
Median age		35.6	39.2		--	--	

* Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality and net immigration levels. Includes armed forces overseas.

Source: U.S. Bureau of the Census,
Current Population Reports,
Series P-25, No 952 (May 1984).

THE POTENTIAL MARKET

Working Women

About 51.1 million women were in the labor force in 1985, an increase of 2.7% from a year earlier. This increase was somewhat higher than the annual gains in recent years, but down from the 4-5% annual gains during much of the 1970's. Today, about three-quarters of women aged 25-34 are in the work force. By comparison, 15 years ago just about 45% of the women in this age group sought employment. There has bee an increase of more than 12 million women of all ages to the labor force over the last decade.

The U.S. Bureau of Labor Statistics has recently (November 1985) published revised projections of the labor force through 1995. The middle of three projections assumes that labor force participation of women will rise then taper off. The female civilian labor force is expected to reach 59.9 million by 1995 -- 10.2 million above the 1984 average.

Both the dress market and the service apparel market should benefit from the expected growth in the number of working women aged 35 to 44 years and 25 to 34 years. By 1995 the former group will register an expected increase of 55% compared with 1984. The labor force 25 to 34 years of age is expected to grow 13.5%.

The following are detailed projections from the BLS.

Female Civilian Labor Force By Age, 1984, 1995

	Labor Force (thousands)		Participation Rate	
	1984	1995	1984	1995
Women, 16 years & older	49,704	59,886	53.6	58.0
16 - 24 years	11,260	9,623	62.8	65.3
16 - 19 years	3,809	3,307	51.8	51.2
20 - 24 years	7,451	6,316	70.4	76.3
25 - 54 years	32,360	44,519	68.2	78.1
25 - 34 years	14,234	16,198	69.8	81.1
35 - 44 years	10,896	16,943	70.1	80.5
45 - 54 years	7,230	11,480	62.9	71.3
55 years & over	5,904	6,084	22.2	19.1
55 - 64 years	4,911	4,695	41.7	42.7
65 years & over	1,173	1,049	7.5	5.5

Source: U.S. Bureau of Labor Statistics
Monthly Labor Review (November 1985)

The proportion of women in managerial and professional positions has been on the rise since the 1970s. By 1985, 23.4% of women fell into this category compared with 21.7% who fell into this classification in 1983 according to data on occupation compiled by the Bureau of Labor Statistics. This passage of women into upper management position could mean increased sales for the dress market. The move of women into more responsible positions correlates with higher income. Thus, more disposable income, which these women will probably spend on themselves.

Working Women (continued)

Employment of Women by Occupation, 1984, 1985
(Numbers in thousands)

	1985	1984	% Change 1985/84
Total 16 years & older	47,259	45,915	+ 2.9%
Managerial & professional specialty	11,049	10,329	+ 7.0
Executive, administrative, managerial	4,351	3,889	+11.9
Professional specialty	6,699	6,440	+ 4.0
Tech., sales & admin. support	21,507	20,920	+ 2.8
Technicians & related support	1,537	1,527	+ 0.7
Sales occupations	6,088	6,032	+ 0.9
Admin. support, including clerical	13,882	13,361	+ 3.9
Serice occupations	8,747	8,607	+ 1.6
Private household	968	955	+ 1.4
Protective service	227	217	+ 4.6
All other service	7,552	7,435	+ 1.6
Precision, production & craft repair	1,127	1,112	+ 1.3
Operators, fabricators and laborers	4,227	4,385	- 3.6
Farming forestry & fishing	552	562	- 1.8

Source: U.S. Bureau of Labor Statistics
Employment & Earnings (January 1986)

The highest median weekly earnings of women who were full-time wage and salary workers in 1985 was among those in the 35-44 year old age bracket ($307). The second highest median ($295) was among women employees age 25-34 years.

Overall, the median weekly earnings of all female full-time wage and salary earners rose to $277 in 1985, up $12 a week from a year earlier. While the median for women is still far below that of men, the increases for women have been larger. Thus, the gap is narrowing. This increase for women's earnings translates into more disposable income for women and could aid in increasing sales of women's dresses.

Median Weekly Earnings of Female Full-Time Wage and Salary Workers By Age, 1984, 1985

	1985	1984	% Change 1985/84
Total 16 years and over	$277	$265	+ 4.5%
16 - 24 years	210	203	+ 3.4
25 years and over	296	282	+ 5.0
25 - 34	295	284	+ 3.9
35 - 44	307	291	+ 5.5
45 - 54	291	278	+ 4.7
55 - 64	284	269	+ 5.6
65 and over	242	218	+11.0

Source: Bureau of Labor Statistics
Employment & Earnings (January 1986)

THE POTENTIAL MARKET

Money Income of Women

Considering money income from all sources, the highest median for women in 1984 was in the 25-44 age group. The median for those 35-44 in 1984 was $9,561, while in the 25-34 bracket the median was slightly lower at $9,392. The greatest number of women with incomes over $30,000 or more were 35-44 years of age -- the earliest of the baby boom crop (1949 - 1964).

Number & Percent of Women Age 15 Years & Over
By Total Money Income, 1984
(Numbers in thousands)

	Total	15-19	20-24	25-34	35-44	45-54	55-64	65 & over
FEMALES, total	95,282	9,103	10,411	20,674	15,966	11,550	11,774	15,804
With income	85,555	5,874	9,333	19,017	14,636	10,409	10,702	15,584
Under $10,000	53,644	5,668	6,691	9,873	7,529	5,580	6,769	11,539
$10,000-$19,999	21,251	187	2,238	6,252	4,107	3,051	2,517	2,807
$20,000-$29,999	7,598	16	259	2,302	2,127	1,192	914	789
$30,000 & over	3,062	3	55	590	873	586	502	449
Median income	$ 6,868	$1,719	$ 5,911	$ 9,392	$ 9,561	$ 8,903	$ 6,837	$ 6,020
Mean income	9,584	2,521	7,125	10,686	11,828	11,397	9,954	8,800
FEMALES, total percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
With income	89.8	64.5	89.4	91.9	91.7	90.1	90.9	98.6
Under $10,000	56.3	62.3	64.1	47.7	47.2	48.3	57.5	73.0
$10,000-$19,999	22.3	2.0	22.3	30.2	25.7	26.4	21.4	17.8
$20,000-$29,999	8.0	0.2	2.5	11.1	13.3	10.3	7.8	5.0
$30,000 & over	3.2	*	0.5	2.9	5.5	5.1	4.3	2.8

* Less than 0.1%

Source: U.S. Bureau of the Census, Current Population Reports
(Series P-60, No. 149)

Specialized Markets: Service Workers

The service sector of the U.S. economy is registering the fastest growth and bringing with it a growing demand for service apparel. Women make up a dominant percentage of workers in the fastest growing service classifications according to the U.S. Bureau of Labor Statistics.

THE POTENTIAL MARKET

Specialized Markets: Service Workers

Female Employment in Service Industries, 1984, 1985
(Thousands of Persons 16 years and older)

	1985		1984	
	Female Employment	% of Ind. Total	Female Employment	% of Ind. Total
Hotels and other lodging places	728.4	54.4%	698.2	55.2%
Personal services	750.7	71.1	711.2	70.2
Laundry, cleaning and garment services	240.8	63.4	231.8	63.4
Beauty shops	300.4	89.6	284.4	89.5
Business services	2,040.7	45.8	1,852.7	45.7
Miscellaneous business services	725.4	38.8	660.3	38.5
Health services	5,184.9	82.2	5,029.3	82.1
Offices of physicians	767.7	80.7	731.4	80.9
Offices of dentists	386.0	87.9	370.0	87.0
Nursing and personal care facilities	1,068.4	88.3	1,011.5	88.1
Hospitals	2,421.1	80.7	2,431.1	80.9
Outpatient care facilities	160.2	74.3	142.5	74.6

Source: U.S. Bureau of Labor Statistics

The 10 Occupations With The Largest Projected Absolute Growth, 1984-1995

Occupation	% Women Workers in 1985	Total Number of New Jobs By 1995
Cashier	83%	556,000
Nurse	95	452,000
Cleaner	40	443,000
Truck driver	2	428,000
Waiter/waitress	84	424,000
Sales (wholesale)	17	369,000
Nurse's aide	90	348,000
Sales (retail)	69	343,000
Accountant	44	307,000
Teacher	90	281,000

Source: U.S. Bureau of Labor Statistics

Specialized Markets: Bridal Wear

In the first six months of 1986 a total of 1,101,000 marriages were performed, down 2% from the total in the first half of 1985 according to the National Center for Health Statistics. For the year 1985, the marriage total (2,425,000) was 2.5% below the 1984 total.

Specialized Markets: Bridal Wear (continued)

Marriages in the U.S., 1984, 1985, 1st Half 1986

Number (thousands)			% Change	Rate Per 1,000 Population		
1st half 1986	1985	1984	1985/1984	1986	1985	1984
1,101	2,425	2,487	- 2.5	92	10.2	10.5

Source: National Center for Health Statistics
Monthly Vital Statistics Report

While the number of marriages has been on the decline, the good news for the dress industry has been that traditional weddings, requiring special dresses for brides, attendants, the mother of the bride, other relatives and friends are back in vogue. This trend is expected to continue. Market reports for spring 1986 showings indicate a great variety of offerings with the biggest news in pastel dresses for brides in shades of pink, peach or blue. Sales are said to be up for designer-price wedding dresses. However, because the number of weddings is down, competition within the bridal market is becoming keener, and there has been some shakeout among resources.

The higher-end stores have been doing well, particularly in the spring while trade sources indicate that discounting has hurt the middle-of-the-road business. Although there are indications that it is leveling off.

Shopping patterns are said to be changing due to brides being more concerned about deliveries and buying further in advance of their wedding dates. June continues to be the peak month for marriages, accounting for 11.5% of the 1985 total, followed by August.

Monthly Pattern in Marriages

	Marriages	
	Number (thous.)	% of Total
Total	2,425	100.0%
January	129	5.3
February	146	6.0
March	157	6.5
April	174	7.2
May	238	9.8
June	280	11.5
July	235	9.7
August	255	10.5
September	235	9.7
October	206	8.5
November	182	7.5
December	187	7.7

Source: Based on U.S. Department of Health & Human Services
Monthly Vital Statistics Report, March 1986

THE POTENTIAL MARKET

Specialized Markets: Maternity Wear

In the 12-month period ending June 1986, there were an estimated 3,739,000 live births in the U.S., slightly below the number for the same period ending June 1985. At the present rate, the 1985 total will be somewhat better~~p~~ than the annual totals registered from 1980 to 1984.

Department and specialty stores have increased efforts to cater to the market for maternity wear. Since so many mothers to be are employed and continue to work until very close to the birth date they require a variety of apparel for office or other business wear.

One specialty operation, Mothercare, has in eight years grown to be a chain of over 200 stores specializing in maternity wear and apparel for young children with sales in excess of $50 million. The long-term goal is to expand the chain to 1,000 stores.

The total market for maternity wear is estimated at $300 million to $500 million. Fashion and variety have become more important factors, especially for the pregnant career woman who continues on the job.

A study by Gallup conducted in 1983 on the lifestyles and shopping habits of pregnant women revealed that virtually all women either did wear, are wearing or planned to wear maternity clothes during pregnancy. Over half (53%) purchased their maternity clothes at national chains, 44% go to specialty retailers, 40% shop discounters and 24% buy from department stores.

Upscale specialty stores have developed private label programs in maternity wear to meet the needs of better-price customers. It is reported that more department stores are focusing on this market.

The monthly pattern in births peak in the July-September period.

Monthly Pattern in Births, 1985

	Births	
	Number (thous.)	% of Total
Total	3,749	100.0%
January	314	8.4
February	280	7.5
March	302	8.1
April	312	8.3
May	300	8.0
June	324	8.6
July	335	8.9
August	334	8.9
September	329	8.8
October	318	8.5
November	297	7.9
December	304	8.1

Source: Based on U.S. Department of Health & Human Services
Monthly Vital Statistics Report, March 1986

RETAIL SALES BY PRODUCT

Dresses

According to a market projection made at the end of 1985 by Kurt Salmon Associates, 1986 women's dress consumption was expected to register a gain of about 3% after a rise of about 2% in 1985. This increase is believed to be the result of a new fashion emphasis by women, an increase in independent spending power and the growing popularity of natural fibers in moderate to better women's wear. Silk has been singled out by many fashion analysts as a growth area in dresses in the coming year.

Year-to-Year Change in Purchases of Women's Dresses, 1982-1986
(% change in Units)

	Projected	Estimated	Actual	
	1986/1985	1985/1984	1984/83	1983/82
Women's wear, total	+ 3%	--	+ 1%	--
Dresses	+ 3	+ 2%	+ 1	+ 1%

Source: Kurt Salmon Associates/NPD Purchase Panel
Softgoods Outlook for 1986

The resurgence in retail sales of dresses that began in 1983, seems to be continuing in 1986 according to trade reports. The main thrust of the increase in dress sales is from younger customers who are purchasing better dresses. This group tends to be those who are rising in the corporate world and are wearing dresses regularly for the first time in their adults lives.

In order to capture as many dress sales as possible, retailers are adjusting their merchandise mix. Many are now expanding the department to include assortments that are appropriate to various occasions. According to a recent survey (March of 1986) three out of every four women surveyed said they would buy a dress in 1986 with 50% citing evening/special occasion dresses, 40% casual wear and 37% for career/day wear. With the average woman planning to purchase four dresses there is estimated to be a potential 1986 market for 354.3 million dresses.

Working women have been one of the major keys to the increase in dress sales. Dresses offer a change but are fabored over separates for greater ease of dressing and obtaining a total look, as well as offering a less costly alternative to separates. In addition, many career women are tiring of the look of tailored suits for office wear and are turning to dresses which are acceptable in the office and at social occasions.

Dresses (continued)

As a result of the growing swing to dresses and the saturation of the sportswear market, many traditional sportswear companies are now expanding into the dress market. The leader of this group is believed to be Liz Claiborne, which has dress volume amounting to $90 million.

Washable Service Apparel

The growth of employment which has centered mainly in the service sector has been a boom to the service apparel industry. The service apparel and uniform industry, which includes men's and women's is estimated to be about $2 billion in 1986.

Fashion and style are now the buzzwords as far as work wear is concerned. Although, durability and function are still important considerations according to industry insiders. Polyester continues to retain its importance for ease of care and durability.

The outlook for career apparel remains bright in the coming years. Projections by the U.S. Bureau of Labor Statistics on occupation growth indicate that the service sector of the economy will remain the fastest growing segment through 1995, as noted on page 23.

RETAIL SALES BY TYPE OF OUTLET

The U.S. Department of Commerce, Bureau of the Census compiles a census of retail trade every five years that covers retail outlets with one or more paid employees. The most recent census covered operations in 1982. Reports on merchandise line sales by type of outlet were published in 1985.

Included in these reports is a breakdown of women's dress sales for two outlet types: department stores and apparel stores. The reported total amounted to about $6.6 billion for these outlets. Not included are sales in variety stores, miscellaneous merchandise stores, mail order sales (except catalog desks in department stores), sales by mom-and-pop stores, and other operations without paid employees.

Apparel specialty stores accounted for 65.1% of total reported dress volume, while department stores had a 34.9% share. Department stores achieved this high total despite the fact they represented only 10.9% of all establishments selling dresses that year.

The census of retail trade is the only official data compiled on merchandise line sales by type of retail outlet.

RETAIL SALES BY TYPE OF OUTLET

Women's Dress Sales in Specified Types of Retail Oultets, 1982
(Including only outlets with payroll)

	Establishments Number	Establishments %	Sales By Outlet Type (Thous. $)	Sales By Outlet Type %
Dress sales, reported total	58,958	100.0%	$6,648,703	100.0
Department stores*	6,453	10.9	2,323,246	34.9
Apparel specialty stores	52,505	89.0	4,325,457	65.1
Women's ready-to-wear stores	40,086	68.0	3,738,760	56.2
Family clothing stores	10,637	18.0	540,499	8.1
Women's accessory & specialty stores & furriers	733	1.2	20,181	0.3
Other apparel stores	1,049	1.7	26,017	0.4

* Includes traditional department stores, discount department stores and the department store outlets of national chains such as Sears, Penney, Ward. Leased department sales are not included, but are counted in the Census as separate specialty store operations.

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade RC82-1-3

Specialty Stores

According to the 1982 census of retail trade sales of women's dresses in women's ready-to-wear stores with payroll amounted to $3.8 million. This figure represents 18.5% of total store sales. In family clothing stores, sales of dresses amounted to $540 million. This figure represents 4.0% of total store sales.

Women's Dress Sales in Specialty Stores, 1982

	Stores		Sales of specified merchandise line		
				% of total sales of —	
	Number	%	Amount (thous. $)	Stores selling the line	All Stores
Women's ready-to-wear stores, total	44,163	100.0%	$20,248,922	—	100.0%
Dresses	40,086	90.8	3,738,760	19.8%	18.5
Family clothing stores, total	17,859	100.0	13,451,003	—	100.0
Dresses	10,637	59.6	540,499	5.3	4.0

Note: Each store location is separately counted, regardless of whether or not it is part of a multi-unit operation.

For details on operations in these store types, as reported in the 1982 Census, see the Fairchild Fact File: A STATISTICAL ANALYSIS OF RETAILING (1985).

Source: U.S. Bureau of the Census
1982 Census of Retail Trade (RC82-1-3)

Specialty Stores (continued)

The National Retail Merchants Association reported that sales of misses' dresses registered median increases of 12.2% in women's wear stores in 1984. Juniors' averaged a gain of 8.8%

Merchandising & Operating Results of Dress Departments In Specialty Stores With Sales Over $1 Million, 1984

(Median results)

	All Adult Female Apparel (28)*	All Dresses (25)*	Women's Dresses (9)*	Misses' Dresses (18)*	Juniors' Dresses (19)*
Net sales, % change from last year	+ 7.3%	+ 10.2%	+ 4.7%	+12.2%	+ 8.8%
Sales, % to total store	48.9	4.3	2.6	4.8	1.4
Sales, % of adult female apparel	100.0	7.9	5.2	13.9	4.1
$ sales per sq. ft. of selling space (main or largest unit)	$144.0	$101.0	na	$61.0	$103.1
Cumulative markon	51.9%	51.5%	54.4%	51.5%	52.8%
Gross margin, % of net sales including cash discounts	42.9	40.0	43.5	40.0	43.3
Markdowns, % of net sales including employee discounts	26.6	27.5	31.1	28.8	25.9
Number of stock turns (times)	3.3	3.3	3.1	3.4	4.2

* Number in parenthesis is the number of reporting stores in each category.

Source: National Retail Merchants Association
Merchandising & Operating Results of 1984
(1985 Edition).

Department Stores

Department stores accounted for 34.9% of reported women's dress sales in retail outlets in 1982 according to the census of retail trade. Better than six out of every ten department stores reported selling the category with total sales amounting to $2.3 billion.

Department Stores (continued)

Women's Dress Sales in Department Stores, 1982

	Stores		Sales of specified merch. line		
				% of total stores of	
	Number	%	Amount (Thous. $)	Stores selling the line	All Stores
Department stores, total	9,981	100.0%	$99,170,163	--	100.0%
Dresses ,	6,453	64.6	2,323,246	3.0%	2.3%

Note: Leased departments are not included in the above. Catalog mail order desk sales are included.

East store location is separately counted in the above table. Department stores include both traditional department stores and discount department stores which meet the definition of this store type under the Standard Industrial Classification (SIC) system. Department stores operated by mail order chains and mass merchandisers are also included in the above table.

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade (RC82-1-3)

For details on department store operations, as reported in the 1982 census, see the Fairchild Fact File: A STATISTICAL ANALYSIS OF RETAILING (1985)

Merchandising & Operating Results of Dress Departments In Department Stores With Sales Over $1 Million, 1984

(Median results)

	All Adult Female Apparel (103)*	All Dresses (95)*	Women's Dresses (89)*	Misses Dresses (86)*
Net sales, % change from last year	+ 9.4%	+ 7.7%	+ 5.0%	+ 7.9%
Sales, % to total store	28.7	4.0	0.5	3.1
Sales, % of adult female apparel	100.0	13.9	1.6	11.0
$ sales per sq. ft. of selling space (main or largest unit)	$154.2	$112.0	$ 98.0	$129.5
Cumulative markon, %	51.8%	51.2%	51.3%	51.3%
Gross margin, % of net sales including cash discounts	42.1	38.7	39.3	38.2
Markdowns, % of net sales, including employee discounts	28.2	31.5	29.1	33.2
Number of stock turns (times)	3.6	3.4	3.4	3.3

Department Stores (continued)

Merchandising & Operating Results of Dress Departments In Department Stores With Sales Over $1 Million, 1984
(Median results)

	Junior's Dresses (96)*	Bridal Formal (33)*	Utility Dresses Aprons & Uniforms (30)*	Maternity Clothing & Accessories (45)*
Net sales, % change from last year	+ 0.4%	+ 1.1%	+ 0.9%	+ 5.9%
Sales, % to total store	0.8	0.4	1.1	0.2
Sales, % of adult female apparel	2.9			
$ sales per sq. ft. of selling space (main or largest unit)	$112.7	$107.5	$117.2	$94.0
Cumulative markon, %	51.9%	49.8%	52.1%	51.9%
Gross margin, % of net sales, including cash discounts	42.1	35.2	44.3	44.9
Markdowns, % of net sales including employee discounts	28.0	18.1	22.7	21.4
Number of stock turns (times)	4.2	2.0	4.3	2.9

* Number of reporting stores.

Source: National Retail Merchants Association
Merchandising & Operating Results of 1984
(1985 edition)

CONSUMER PRICE INDEXES

For the six months ending June 1986, prices paid for women's dresses averaged 10.1% below the level in the comparable 1985 period on a seasonally adjusted basis. However, prices edged up in July, rising 1.0% above the July 1985 average. With the introduction of new higher priced fall and winter merchandise, the Consumer Price Index for women's dresses in August rose 4.1% over the July level and was up 2% compared with August 1985 prices.

Dress Price Trends: Consumer Price Index for All Urban Consumers (CPI-U) Annual Averages, 1983-1985

	1985	1984	1983	% Change 1985/84
All items*	318.5	307.6	298.4	+ 3.5%
Women's apparel**	114.6	110.3	107.5	+ 3.9
Dresses*	164.3	159.9	152.9	+ 2.8

Source: U.S. Bureau of Labor Statistics

RETAIL ADVERTISING TRENDS

At the consumer level, dresses are promoted most extensively in the spring months. March, April and May accounted for 34.1% of the total newspaper ad linage run on women's and misses' dresses, and almost 38% of the total on juniors' dresses, according to information compiled by the Advertising Checking Bureau for 1985.

Percent of Year's Total Retailers' Newspapers Ad Linage on Dresses Run Each Month, 1985

	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Dresses:													
Women's & misses'	4.8	7.9	12.4	9.3	12.4	7.8	5.7	8.5	9.2	8.1	7.1	6.8	100.0%
Juniors'	4.7	5.0	14.5	13.4	9.5	7.0	6.8	13.8	6.0	6.6	6.6	6.1	100.0%

Source: Newspaper Advertising Bureau Planbook, 1987

CONSUMER BUYING HABITS

MRCA Information Services has compiled information on patterns in purchases of a combined category of women's wear: dresses, suits and skirts. The results are developed through purchase diaries maintained by members of a nationwide sample of 11,500 households, and results were published by the Newspaper Advertising Bureau.

Findings indicate the seasonal pattern in purchases, the distribution of purchases by price paid for dresses and for pantsuits.

Dresses, Suits, Skirts, Average Purchase Rate per 1,000 Households
(Measured in units)

Average Month	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
408.8	305.8	355.6	461.0	492.7	511.1	548.0	432.2	392.4	367.5	340.6	287.2	412.1

Source: MRCA Information Services, 1984
1987 Newspaper Advertising Planbook
Newspaper Advertising Bureau

Percent of Women's Dress & Pantsuit Purchases (Units) By Price, 1984

	Dresses	Pantsuits
Under $25	56.3%	46.3%
$25.00 - $34.99	18.6	24.2
$35.00 - $49.99	13.8	13.5
$50.00 - $74.99	6.8	10.1
$75.00 - $99.99	2.8	2.9
$100.00 - $149.99	1.1	2.6
$150.00 and over	0.4	0.4

Source: Newspaper Advertising Bureau
1987 Newspaper Advertising Planbook

CONSUMER BUYING HABITS

According to a study of 1,500 adult women nationwide, covering dress buying practices and plans by the Gallup Organization for Apparel Merchandising, 76% of the women planned to buy dresses in the next 12 months. The average woman expected to buy four. However, only 25% are buying more dresses now than five years ago: 27% are buying as many; 46% are buying fewer dresses. Dresses for evening and special occasions will be the most sought-after types.

Department stores are the favored outlet type in buying dresses according to this study especially, amoung women 35 and older. Two thirds of the women in this age group who plant to buy dresses in the next 12 months will shop for them in department stores vs. 49% of the women age 18 to 34 years.

The Gallup study indicated that among women planning to buy a dress for business for day wear over half (57%) planned to pay less than $50. Among women planning to buy an evening dress, 67% of those under 35 yers of age and 63% of those age 35 and older expected to pay upwards of $50.

Price Purchasers Expect To Pay for Next Dress

Career/Day Dresses

		Age Group	
	Total	18-34	35+
Less than $25	10%	5%	15%
$25 - $49.99	47	55	41
$50 - $79.99	27	27	29
$80 - $89.99	4	5	3
$100 or more	8	7	7
Don't know/ no answer	4	1	5
Total	100%	100%	100%

Evening Dresses

		Age Group	
	Total	18-34	35+
Less than $35	12%	14%	10%
$35 - $49.99	17	15	20
$50 - $69.99	24	28	23
$70 - $99.99	17	15	19
$100 or more	22	24	21
Don't know/ no answer	8	4	7
Total	100%	100%	100%

Number of Dresses Women Planned to Purchase in Next Year

	All Dresses	Career/ Day Dress Purchases
Plan to buy:		
None	22%	
Number of dresses:		
One	12	10%
Two	17	14
Three	11	17
Four	8	15
Five or more	28	41
Don't know/no answer	2	3
Total	100%	100%

CONSUMER BUYING HABITS

Stores Planned to Shop For Next Career/Day Dress

		Age Group	
	Total	18-34	35+
Department stores	58%	49%	67%
Special stores	25	32	18
Mass merchandisers (Sears, Penney, Ward)	10	12	7
Discount stores	6	5	8
All other store types	10	10	10
Don't know/no answer	1	1	2
Total	*	*	*

* Adds to more than 100% due to multiple responses.

Source: The Gallup Organization
Apparel Merchandising, May 1986

SEVENTEEN Magazine's annual spring apparel buying study conducted in May 1985 detailed purchase information of teen girls on their wardrobes. Completed questionnaires were received from 1,243 teenagers and results were then projected to the entire teenage female population.

Based on the actual number of dresses purchased by respondents, a projected number of nearly 43 million dresses valued at $1.7 billion at retail were bought by a total of 11.7 million teenage girls in 1985.

Dress Purchases By Teenage Girls, Spring 1985
(Projected to Total Teenage Market)

	Number Purchasing (000)	Number Purchased (000)	Total Expenditures (000)
Dresses			
School			
Above the knee	4,905	6,379	$221,160
Below knee length	4,430	6,116	210,452
Knee-length	3,341	6,954	247,145
Date			
Above knee-length	4,192	8,680	348,762
Knee-length	3,303	6,410	265,118
Below knee-length	3,066	3,467	134,692
Ankle-length	81	82	3,273
Formal gowns	3,616	3,620	270,704
Jumpers	788	893	20,387
Total girls buying dresses	11,650	42,601	1,721,693

Source: Seventeen Magazine
Spring Apparel Study, 1985

CONSUMER BUYING HABITS

According to the survey, department stores are favored by teen girls for their dress purchases. Over 72% said they usually purchase their dresses in these stores. Boutique/specialty stores followed in popularity with 31.8%. Comparable figures in 1983 were 63.4% and 39.4% respectively.

Usual Place of Purchase For Dresses, 1981, 1983, 1985

	% of repondents		
	1985	1983	1981
Department store	72.1%	63.4%	61.6%
Boutique/specialty store	31.8	39.4	39.7
Discount store	5.0	3.2	4.7
Variety store	3.2	3.2	3.8
Mail order	3.8	4.5	4.4
Other	1.6	4.5	2.8
Total	100.0%	100.0%	100.0%

Source: Seventeen Magazine:
Spring Apparel Studies, 1985, 1983, 1981

Another study by SEVENTEEN Magazine, the 1985 Back-to-School Study, conducted in September 1984 among 1,125 teenage high school and college students, detailed the size of the last dress purchased by respondents, as shown below.

Size of Dress Purchased

Size	Number (000)
Junior	
3	565
5	1,137
7	1,446
9	1,131
11	498
13	233
15 or larger	28
Misses	
4	106
6	394
8	518
10	586
12	501
14	265
16	84
18 or larger	48
No answer	1,003
Total	8,543

Source: Seventeen Magazine:
Back-to-School Study, 1985

SCHEDULE OF ADDITIONAL FACT FILES

COATS, SUITS, RAINWEAR, AND FURS (WOMEN'S, MISSES' AND JUNIORS'): Details number of manufacturers by employment size, cuttings, and value of shipments. Also covered at the industry level are price trends and imports/exports. At the retailer level, data is presented on estimates of retail volume, sales share by outlet, merchandising and operating results, and also focuses on consumer buying habits and plans.

CONSUMER MARKET DEVELOPMENTS: Provides a detailed view of consumers in the U.S., including population by age and income, number of households and living arrangements, school enrollment, educational attainment, the labor force, employment and earnings. Also covers trends in consumer prices, in personal consumption expenditures by product classification, and the outlook for consumer markets based on current economic trends.

DEPARTMENT STORE SALES (Including Selected Major Apparel Specialty Store Sales): Covers sales and the number of stores operated, listed by geographic region and state based on buying headquarter locations. Lists branch store sales where available, as well as plans to open new stores. Sales information on major general merchandise/apparel retail chains, which are listed alphabetically, and a list of department stores with sales of $50 million or more, are included. (1985 Edition available now -- 1986 Edition available in November)

DRESSES & RELATED APPAREL (WOMEN'S, MISSES' AND JUNIORS'): Statistics on the dress and related women's apparel industry, including trends in the number of manufacturers and in production and shipments. Also data on retail sales by outlet type and on consumer buying habits.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Information on a wide range of fashion accessories including jewelry, watches, gloves, belts, handbags, small leather goods, luggage, neckwear, hats. Includes key information at manufacturer level, as well as sales and consumer data.

FOOTWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A statistical summary of the U.S. footwear industry and footwear markets. Covers domestic production, shipments, and imports. Provides retail sales and merchandising statistics, including sales share by outlet type.

HOME TEXTILES: Information on the industry includes the latest data on number of manufacturers, production and shipments for a wide range of products, including bed linens, towels, blankets and comforters, slip covers, pillows, curtains and draperies. Trends in merchandising, departmental operations and sales by outlet type.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet and on patterns in consumer spending.

HOUSEHOLD FURNITURE AND BEDDING: Contains U.S. industry-wide data on quantity and value of manufacturers' shipments of furniture and bedding (mattresses and dual-purpose sleep furniture). Retail information includes sales by store type, consumers' furniture style preference, etc.

INFANTS', TODDLERS', GIRLS' AND BOYS' WEAR: Manufacturer data spotlights production, value of shipments, number of manufacturers, employment in the industry by company size, price trends. At the retailer level, data focuses on sales share by type of outlet and on operating ratios in department and specialty stores.

INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR (WOMEN'S, MISSES' & JUNIORS'): Data on production and shipments, tracing market shifts in response to fashion changes, retail trends, sales by outlet type, and merchandising ratios.

MAJOR APPLIANCES AND ELECTRIC HOUSEWARES: Covers a wide range of products in the major appliance and traffic appliance classifications, including equipment, and personal care appliances. Details production and shipments, sales trends, sales by outlet type and retail merchandising results.

MEN'S FURNISHINGS AND WORK WEAR: Includes information on number of manufacturers, production and shipment figures on shirts, underwear, nightwear, neckwear, hats, etc., size of firms, imports and exports. Also provides data at the retail level, including sales and merchandising trends, operating ratios, and sales share by type of outlet.

MEN'S SPORTSWEAR, CASUAL WEAR AND JEANS: The wide variety of men's wear items included in this broad category are covered from available information on the industry at the manufacturer, retailer and consumer level. Included is information on production and shipments, market trends, retail sales by outlet type and consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES AND RAINWEAR: Manufacturer level profiled by production value of shipments, employment, size of firms. Data is presented on retail sales, sales share by outlet type and operating ratios. Also data on consumer buying habits.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade recently issued by the U.S. Census Bureau.

THE SPORTS/FITNESS/LEISURE MARKETS: Covers developments in the rapidly changing markets for sports and physical-fitness-related merchandise. Contains statistical data on sports equipment, apparel and footwear as well as information on the number of participants in various sports. Also includes findings in a survey on specialized sporting goods retailer operations.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits.

A STATISTICAL ANALYSIS OF RETAILING: A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Includes information on the number of outlets by store type, sales, market shares by type of major merchandise classification, sales concentration by size of retail organization, geographical changes, etc. Comparisons (where valid) are made with findings in the last previous census, covering operations in 1977.

THE TEXTILE/APPAREL INDUSTRIES: Industry overview, providing statistics on fibers and fabrics as well as finished goods. Includes information on industry size, concentration of sales by mill/manufacturer size, production and shipments by U.S. mills, as well as exports and imports for end-use markets. Covers capital expenditures and data on mill machinery.

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry-wide statistics and projections, as well as data on leading manufacturers in various product categories. Consumer expenditures, buying habits and usage of various product types are highlighted, as well as data on sales by outlet type and advertising expenditures by major producers.

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Tabletop
& Giftwares

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TABLETOP & GIFTWARES

Market Trends

The continuing diversification by tabletop companies into related merchandise and gift categories in 1986 remains a significant aspect of the industry. In the face of generally flat tabletop sales, producers are attempting to stimulate business by strengthening their positions and becoming more like one-stop shops for the retailer.

Indicative of this market strategy is the proposed Waterford-Wedgwood merger, combining two of the leading names in the industry and creating the largest crystal and china producer in the world. Sagging dinnerware sales has prompted Noritake to expand into the gift category, with the goal of becoming a fully diversified tabletop firm; it is also anticipating a move into flatware. Efforts such as these are increasingly common as the industry copes with underutilized plants and foreign currency fluctuations. Many seem to agree that giftwares is the way to go, entering a big, self-generating market whose potential is enormous. What follows is a review of current trends in the major related categories: silverware and plated ware; dinnerware; glassware/crystal; and giftwares.

Sterling Silverware and Plated Ware

The overall flatware market in the United States remains flat. The slowing of the economy coupled with an increase in imports and a decrease in exports has contributed to sluggish sales for some major domestic producers. This has led to excess inventories, operating losses and layoffs of employees.

Among companies experiencing difficult times is Towle Manufacturing Co., which reported a loss from continuing operations of $5.4 million in the second quarter of 1986. The company expects 1986 annual sales to be half of last year's. Towle expects sales to be about $100 million this year, following the restructuring of its operations due to its Chapter 11 filing under the bankruptcy code, compared to $200 million in 1985. Lower selling prices from inventory reduction programs and customer concerns about the company's status have compounded its problems.

As recently as 1981, Towle scored record profits while becoming the largest U.S. silver and giftware company. Towle, like its competitors, had a huge drop in sterling flatware sales a few years ago as silver prices dropped from $50 an ounce to $10. The resulting decline in sales squeezed Towle's profits, in particular, because the company had moved into low-end silver holloware, where margins are thin.

With sterling now stabilized at about $5.60 an ounce, many industry observers feel that sterling flatware and pieces are ready for a strong comeback. They cite expected increases in discretionary purchasing power over the next few years provided by affluent single professionals, later marriages that yield substantial two-income familes, and the aging of the baby-boom generation into its high-income middle age years. This will help domestic silverware manufacturers who generally focus on the high end of the market.

(continued)

Sterling Silverware and Plated Ware (continued)

While business in sterling silver pieces and silverplate is generally slow in the U.S. market, there are exceptions, such as Christofle and Ricci. Silverplate business, buoyed by strong promotions, is proving profitable for several producers this year. There is a trend toward larger European sizes in knives and forks, to coordinate with larger china sizes. Promotional gift sets range from $99 to $299. Silverplated holloware remains popular, particularly as gifts. Sales of silverplated and sterling holloware total $300 million at retail.

Outpacing both sterling and plate has been upper-end stainless steel products. They appeal to many working women who do not have the time or the inclination to clean and polish silver. Gold accent in stainless has been on a strong upward trend. They are a compliment to the earthtones now dominant in dinnerware and should be seen well into the spring next year. In high-end stainless, a $40 price point for a place setting is very popular.

In 1986, there has been a renewed emphasis on housewares, mass flatware and cutlery by companies such as Oneida Ltd. Colored plastic-handle flatware is considered a growing segment of the housewares department at mass merchandiser channels where upgraded fashion flatware is making its way into the classification. Major companies are diversifying into other tabletop and giftware areas, such as Reed & Barton, with its recent acquisition of Herco Art, a producer of brass lamps. Sculptural pieces have also been attractive to silver resources.

Dinnerware

Dinnerware business has been generally flat over the last two and a half years, but not for all suppliers. Some have bucked the trend, while not engaging in the extensive price-promoting activity that has characterized the industry.

Lenox China, for one, has maintained a good price-value relationship by not pursuing heavy discounting. It continues its focus with traditional channels of distribution, principally department stores, specialty stores, jewelry stores and gift operations. Its formal business remains strong through cut-backs on unproductive patterns and with large advertising expenditures aimed at raising consumer awareness.

Another firm having a very good 1986 is Noritake, which has clearly emerged as a leading dinnerware manufacturer. Sold through china and crystal departments, Noritake is one of the few manufacturers that works in all materials: bone and ivory china, porcelain, earthenware and stoneware. During the past two years, the firm has expanded its design base to include upscaled formal and casual, to the point that Bloomingdale's bought a modified Noritake program for the first time this year.

Noritake has been consistent in its designs over the years. While others concentrated on the fast moving, fashion-forward segment of the market led by Mikasa, Noritake has catered to the bridal market, which now accounts for at least 45% of the industry's overall dinnerware business. In addition, the firm has held its ground in the face of a fluctuating yen rate that has squeezed profit margins at many firms, including Mikasa. Noritake has held prices for two seasons. The company also is making inroads in the crystal market and in gift accessories, one of its fastest growing categories.

(continued)

Market Trends

Dinnerware (continued)

Dinnerware, which at one time sold solely through department stores and specialists, is now moving through broader distribution channels such as mass merchants, catalog showrooms and warehouse clubs. Mass merchants and chains are devoting more space to dinnerware, carrying bigger assortments and venturing into higher price points. They are expanding their assortments to include fashion and basic dinnerware designs and accessories with improved packaging and in-store displays. K mart is hoping to stimulate its dinnerware business by boosting advertising expenditures 20%, primarily in newspaper ads.

There is now more willingness on the part of major suppliers in developing the mass merchandise business. Several companies like Mikasa, Noritake, and Pfaltzgraff have launched divisions specifically catering to mass merchants. Others like Anchor Hocking, Corelle and International China have developed programs geared to this channel. Sources estimate that mass merchants generate as much as $40 million in dinnerware sales, relying on the kind of volume it's difficult to attain in department stores. Some executives feel that department stores are making a mistake by creating competitive situations in their own stores by selling dinnerware both in dinnerware and housewares departments.

Consolidation in the dinnerware industry has led to large acquisitions. Several British china makers, for example, have been taken over in recent years: Royal Doulton by Pearson; Aynsley by Waterford; and Royal Worcester and Spode by the London International Group. As noted, the Waterford Glass Group of Ireland is in the process of acquiring Wedgwood, Britain's leading maker of fine china. Wedgwood has slipped recently in many major markets, losing ground to European and Japanese rivals, especially Noritake. Waterford should be able to help Wedgwood's marketing in the U.S. market. North America presently accounts for 32% of Wedgwood's sales.

Glassware/Crystal

Waterford's $360 million offer for Wedgwood would make the combined group the largest crystal and china producers in the world with total annual sales of nearly $400 million. Waterford, the 37 year old Irish company whose name has been synonymous in the U.S. with fine handmade crystal, is one of the world's largest producers, with sales of $160 million in 1985. More than 50% of its sales are generated in the U.S., making it the best-selling crystal brand. Its association with Wedgwood is expected to give the company increased access to markets where it does not presently have much penetration, such as Australia and Japan.

In the last few years, Waterford's profits have increased sharply as it has straightened out distribution problems in the U.S. and pulled back from a diversification into other fields such as automobile distribution. In addition, Waterford is broadening its appeal in the U.S., directing its marketing efforts not only to the bridal market and well-to-do middle-aged women, but also to affluent baby boomers of both sexes who have a taste for expensive household furnishings. Waterford has been facing competition for its U.S. share of market from, in particular, Baccarat and Saint Louis of France, Val St. Lambert of Belgium, and Lenox Crystal, the biggest U.S. maker of hand-cut crystal.

(continued)

Glassware/Crystal (continued)

Glassware sales in the U.S. are increasingly competitive. Market conditions have fostered aggressive pricing and marketing strategies by suppliers, particularly in the areas of multiple-piece beverage sets, glass serveware, and lead crystal stemware products. In addition, department and specialty stores are pursuing new strategies to revitalize the decorative barware business.

With its introduction of a lead crystal collection, Libbey Glass is continuing to upgrade its product lines. In the past two years, the company has marketed upscaled merchandise, coupled with a sophisticated advertising campaign, to win back department store business that had been going almost exclusively to importers. Libbey is hoping that this new line will further enhance the company's image, while helping its thrust for the 18-35 year old female customer. The line is expected to appeal to those looking for lead crystal that falls between the everyday and the high end.

As is the case with dinnerware companies, glassware producers are actively seeking alternate channels of distribution such as warehouse clubs and catalog showrooms. Some major resources like Durand, Toscany, Colony and Anchor have separate divisions to service these accounts. Most companies approach these outlets with caution due to their relative newness and so as not to jeopardize department store accounts. However, few major producers can afford to overlook them.

The decorative barware business has been experiencing mixed results of late. Some department stores are hoping to stimulate sales by moving the merchandise to gift departments and selling the products as part of a theme merchandising campaign, for example, "tropical summer entertaining." Other stores are moving barware into housewares departments, making the products "lifestyle items." What retailers do agree upon is that the popularity of wine and lower sales of other alcoholic beverages has hurt sales, particularly ice buckets and drink glasses.

Giftwares

The gift business has matured to the point that it is a viable business in its own right, attracting many large tabletop companies. The sluggishness of the tabletop business over the past few years has prompted these companies to seek ways to employ underutilized manufacturing facilities. Flat tabletop sales has limited the areas that many china, silver and crystal producers can expand into. Some of these markets tend to be finite: a customer buying fine dinnerware, for example, will probably not be buying more than replacement pieces for many years, if ever.

Most executives say that the gift business has infinite potential, with people constantly in the market to buy gifts. Tabletop companies see gifts as a way of leveraging themselves into a large market with high profit margins, enabling them to improve their financial structure. The gift market is diversified enough to allow more manufacturers to be in it without oversaturating the market than is the case with tabletop.

(continued)

Market Trends

Giftwares (continued)

Many tabletop producers have discovered that their gift lines tie in effectively to their overall merchandising programs. Their products already have name recognition, an important consideration in the impulse oriented world of gift buying. Purchases are less price sensitive and more brand sensitive. When a customer gives a gift the name is very important, whether it's Lenox, Waterford, Towle, Villeroy & Boch, etc.

Many of the tabletop manufacturers are distributing their gifts through department stores, utilizing the same buyers that handle their traditional products. Some have gift lines that are merely boxed versions of previously open-stock items. Others have created full-blown gift collections and are utilizing gift buyers and gift stores. Reed & Barton, for example, has used new materials to develop lines including ceramic dinnerware, heavy-cut crystal, light-blown glass giftware and barware, plus items in pewter, brass and porcelain.

Giftwares companies, while acknowledging the competition provided by tabletop producers, are holding their own. By relying on their ability to discern changing trends in gift giving and their flexibility in production, they are able to change lines quickly. For example, Enesco changes its line more than 60% each year. Another advantage they have is their distribution to individual gift shops, a territory that the tabletop companies are just beginning to explore.

These independent single and multi-unit gift shops, which are estimated to number about 60,000, generally do not compete head-to-head with department stores. Their merchandise mix often includes items a department store would sell in departments other than gifts. The marketing of tabletop gift lines down from department stores to gift stores is a reversal of the usual trend. As has been the case often in the past, department stores pick up on merchandise that is proving popular at the specialty shops, taking away their sales. The retailing of dolls, for instance, was a great category for gift shops until department stores came out with porcelain collector doll selections. Presently doing well are such collectibles as plates, figurines and porcelain pieces.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

A complete census of all manufacturers in the U.S. which have one or more paid employees is compiled every five years by the U.S. Bureau of the Census. Results from the latest, covering operations in the industries primarily involved in the production of tabletop and giftwares in 1982, are covered below. In addition, comparable figures are reported from the 1983 and 1984 annual surveys of manufactures. The Census Bureau conducts annual surveys using a sample of manufacturers in order to develop estimates on key measurements of manufacturing activity during intercensal periods.

GENERAL INDUSTRY STATISTICS

Industry statistics on tabletop and giftwares are covered by five Standard Industrial Classification (SIC) codes: silverware and plated ware (SIC 3914); pressed and blown glass and glassware (SIC 3229); glass products, made of purchased glass (SIC 3231); vitreous china food utensils (SIC 3262); and fine earthenware food utensils (SIC 3263). Definitions of each code follow below.

Rising imports and falling exports have affected silverware and earthenware domestic producers most heavily. This has lead to falling industry shipments and layoffs of employees. Glassware and vitreous china shipments rose over the 1982-1984 period despite the proliferation of imports.

It should be noted that industry data covers the institutional market (hotels, restaurants, hospitals) as well as the consumer market.

Silverware and Plated Ware
(SIC 3914)*

	1984	1983	1982	1977	% Change 1984/82
Number of companies	na	na	199	247	--
Number of establishments **	na	195	208	258	--
Number with 20 or more employees	na	58	55	67	--
Employees, total (thous.)	6.7	8.4	9.1	10.8	-26.4%
Production workers (thous.)	4.7	5.9	6.5	8.3	-27.7
Payroll (mil. $)	$ 125.7	$ 137.4	$ 148.3	$119.8	-15.2
Value added by manufacture (mil. $)#	$ 242.3	$ 290.7	$ 311.9	$255.1	-22.3
Valued of industry shipments (mil. $)##	$ 547.0	$ 510.8	$ 583.9	$457.0	- 6.3
Capital expenditures, new (mil. $)	$ 9.4	$ 9.6	$ 11.8	$ 8.0	-20.3

Pressed and Blown Glass and Glassware
(SIC 3229)*

	1984	1983	1982	1977	% Change 1984/82
Number of companies	na	na	276	325	--
Number of establishments **	na	334	331	382	--
Number with 20 or more employees	na	125	116	125	--
Employees, total (thous.)	38.2	37.4	37.6	46.2	+ 1.6%
Production workers (thous.)	31.5	29.9	29.5	38.6	+ 6.8
Payroll (mil. $)	$ 834.8	$ 785.9	$ 726.0	$ 572.8	+15.0
Value added by manufacture (mil. $)#	$2,160.8	$2,022.8	$1,743.1	$1,452.8	+24.0
Valued of industry shipments (mil. $)##	$3,338.7	$3,106.1	$2,724.0	$2,120.1	+22.6
Capital expenditures, new (mil. $)	$ 181.4	$ 173.7	$ 233.3	$ 143.6	-22.2

(continued)

GENERAL INDUSTRY STATISTICS

Glass Products, Made of Purchased Glass
(SIC 3231)*

	1984	1983	1982	1977	% Change 1984/82
Number of companies	na	na	1,228	1,000	--
Number of establishments **	na	1,303	1,337	1,101	--
Number with 20 or more employees	na	381	387	325	--
Employees, total (thous.)	43.2	42.8	41.3	36.2	+ 4.6%
Production workers (thous.)	33.8	33.1	31.5	28.8	+ 7.3
Payroll (mil. $)	$ 816.9	$ 741.1	$ 696.3	$ 429.2	+17.3
Value added by manufacture (mil. $)#	$1,816.0	$1,644.4	$1,483.7	$ 960.2	+22.4
Value of industry shipments (mil. $)##	$3,734.3	$3,204.0	$2,976.5	$1,842.4	+25.5
Capital expenditures, new (mil. $)	$ 110.0	$ 72.2	$ 119.1	$ 73.4	- 7.6

Vitreous China Food Utensils
(SIC 3262)*

	1984	1983	1982	1977	% Change 1984/82
Number of companies	na	na	31	27	--
Number of establishments **	na	37	32	28	--
Number with 20 or more employees	na	21	20	14	--
Employees, total (thous.)	5.9	6.0	6.3	7.3	- 6.3%
Production workers (thous.)	4.7	4.7	5.1	6.0	- 7.8
Payroll (mil. $)	$ 108.9	$ 96.8	$ 98.0	$ 72.3	+10.2
Value added by manufacture (mil. $)#	$ 208.6	$ 218.3	$ 196.3	$ 140.0	+ 6.3
Value of industry shipments (mil. $)##	$ 274.8	$ 256.9	$ 241.6	$ 170.7	+13.7
Capital expenditures, new (mil. $)	$ 5.9	$ 7.3	$ 5.2	$ 5.4	+13.5

Fine Earthenware Food Utensils
(SIC 3263)*

	1984	1983	1982	1977	% Change 1984/82
Number of companies	na	na	38	22	--
Number of establishments **	na	37	38	23	--
Number with 20 or more employees	na	17	18	17	--
Employees, total (thous.)	1.8	2.6	3.0	4.7	-40.0%
Production workers (thous.)	1.5	2.1	2.5	3.5	-40.0
Payroll (mil. $)	$ 16.5	$ 32.5	$ 37.1	$ 38.4	-55.5
Value added by manufacture (mil. $)#	$ 27.5	$ 52.3	$ 61.6	$ 61.2	-55.4
Value of industry shipments (mil. $)##	$ 49.5	$ 73.1	$ 87.6	$ 81.3	-43.5
Capital expenditures, new (mil. $)	$ 0.5	$ 1.6	$ 1.7	$ 1.7	-70.6

(footnotes continued)

GENERAL INDUSTRY STATISTICS

na not available

* Manufacturers are classified by industry under the Standard Industrial Classification (SIC) system determined by the principal product made, as shown below:

SIC 3914 covers establishments primarily engaged in manufacturing flatware (including knives, forks, and spoons), hollow ware, toilet ware, and related products made of sterling silver; of metal plated with silver, gold, or other metal; of nickel silver; of pewter; or of stainless steel.

SIC 3229 covers establishments primarily engaged in manufacturing glass and glassware, pressed, blown, or shaped from glass produced in the same establishment. Includes barware, bowls, candlesticks, centerpieces, stemware and tableware.

SIC 3231 includes establishments primarily engaged in manufacturing glass products from purchased glass, covering cut and engraved glassware, decorated glassware and glass novelties (fruit, foliage, flowers, etc.).

SIC 3262 represents establishments primarily engaged in manufacturing vitreous china table and kitchen articles for use in households and in hotels, restaurants and other commercial institutions for preparing, serving, or storing food or drink.

SIC 3263 covers establishments primarily engaged in manufacturing fine (semivitreous) types of earthenware table and kitchen articles for preparing, serving, or storing food or drink.

** Each business location is counted as a separate establishment. Data on number of establishments in 1983 are from the Census Bureau's County Business Patterns.

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished product inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

Value of industry shipments includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary and secondary products made by manufacturers in these industries. The value of primary products alone of these industries, plus the value of shipments by manufacturers classified in other industries is covered in the section on PRODUCT SHIPMENTS on page 13.

Source: U.S. Bureau of the Census,
1984, 1983 Annual Survey of Manufactures,
1982, 1977 Census of Manufactures

GENERAL INDUSTRY STATISTICS

Employment & Earnings

Employment & Earnings in the Glassware Industry

	July Averages			Annual Averages		
	1986(p)	1985	% Change 1986/85	1985	1984	% Change 1985/84
Pressed and blown glass (SIC 3229)						
All employees (thous.)	42.9	42.0	+ 2.1%	44.7	47.4	-5.7%
Production workers (thous.)	34.3	33.4	+ 2.7	35.9	38.3	-6.3
Avg. weekly earnings	$437.06	$417.58	+ 4.7	$415.74	$401.88	+3.4
Avg. hourly earnings	$ 10.66	$ 10.26	+ 3.9	$ 10.24	$ 9.85	+4.0
Avg. weekly hours	41.0	40.7	+ 0.7	40.6	40.8	-0.5
Products of purchased glass (SIC 3231)						
All employees (thous.)	53.9	50.5	+ 6.7	50.5	48.3	+4.6
Production workers (thous.)	38.2	35.0	+ 9.1	35.2	33.6	+4.8
Avg. weekly earnings	$366.03	$343.85	+ 6.5	$348.09	$335.36	+3.8
Avg. hourly earnings	$ 8.82	$ 8.49	+ 3.9	$ 8.49	$ 8.12	+4.6
Avg. weekly hours	41.5	40.5	+ 2.5	41.0	41.3	-0.7

(p) preliminary

Source: U.S. Bureau of Labor Statistics, Employment & Earnings

Industry Concentration

Type of Company Ownership & Share of Shipments, 1982

	No. of Companies	Plants No.	Plants %	Employees Thous.	Employees %	Value of Industry Shipments Thous. $	Value of Industry Shipments %
Silverware & plated ware	199	208	100.0%	9.1	100.0%	$ 583.9	100.0%
Multiunit companies	21	30	14.4	6.7	73.6	478.8	82.0
Single-unit companies	178	178	85.6	2.3	25.3	105.2	18.0
Pressed & blown glass	278	331	100.0	37.6	100.0	2,724.0	100.0
Multiunit companies	39	92	27.8	33.8	89.9	2,597.6	95.4
Single-unit companies	239	239	72.2	3.8	10.1	126.4	4.6
Products of purchased glass	1,228	1,337	100.0	41.3	100.0	2,976.5	100.0
Multiunit companies	123	232	17.4	25.1	60.8	2,098.5	70.5
Single-unit companies	1,105	1,105	82.6	16.2	39.2	878.0	29.5
Vitreous china food utensils	31	32	100.0	6.3	100.0	241.6	100.0
Multiunit companies	12	13	40.6	5.7	90.5	224.6	93.0
Single-unit companies	19	19	59.4	0.6	9.5	17.0	7.0
Fine earthenware food utensils	38	38	100.0	3.0	100.0	87.6	100.0
Multiunit companies	9	9	23.7	1.6	53.3	57.4	65.5
Single-unit companies	29	29	76.3	1.4	46.7	30.2	34.5

Source: U.S. Bureau of the Census, 1982 Census of Manufactures, Type of Organization MC82-S-5

GENERAL INDUSTRY STATISTICS

Industry Concentration (continued)

Share of Industry Shipments Accounted for by the Largest Manufacturing Companies, 1977, 1982

		Value of Shipments				
		Total	Percent Accounted for by:			
Industry	No. of Companies	(Mil. $)	Top 4	Top 8	Top 20	Top 50
Silverware & plated ware						
1982	199	$ 583.9	59%	75%	87%	94%
1977	247	457.0	51	67	83	92
Pressed & blown glass						
1982	278	2,724.0	61	80	94	98
1977	325	2,120.1	61	78	92	97
Products of purchased glass						
1982	1,228	2,976.5	30	38	50	66
1977	1,000	1,842.4	31	39	53	68
Vitreous china food utensils						
1982	31	241.6	67	90	99	100
1977	26	170.7	71	94	99	100
Fine earthenware food utensils						
1982	38	87.6	63	81	98	100
1977	22	81.3	68	na	na	100

na not available

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
Concentration Ratios in Manufacturing MC82-S-7

GENERAL INDUSTRY STATISTICS

Industry Concentration (continued)

Industry Statistics by Employment Size of Plants, 1982

Industry	Plants		Employment		Value Added By Manufacture		Value of Shipments	
	No.	%	No.	%	Mil. $	%	Mil. $	%
Silverware & plated ware	208	100.0%	9.1	100.0%	$ 311.9	100.0%	$ 583.9	100.0%
Plants with average employment of --								
1 - 19 employees	153	73.6	1.0	11.0	21.0	6.7	38.5	6.6
20 - 99 employees	37	17.8	1.4	15.4	35.6	11.4	105.7	18.1
100 or more employees	18	8.7	6.7	73.6	255.3	81.9	439.7	75.3
Pressed & blown glass	331	100.0	37.6	100.0	1,743.1	100.0	2,724.0	100.0
Plants with average employment of --								
1 - 19 employees	215	65.0	1.1	2.9	30.4	1.7	48.3	1.8
20 - 99 employees	44	13.3	2.3	6.1	73.4	4.2	121.1	4.4
100 or more employees	72	21.8	34.2	91.0	1,639.3	94.0	2,554.6	93.8
Products of purchased glass	1,337	100.0	41.3	100.0	1,483.7	100.0	2,976.5	100.0
Plants with average employment of --								
1 - 19 employees	950	71.1	5.2	12.6	139.9	9.4	283.6	9.5
20 - 99 employees	286	21.4	12.3	29.8	404.8	27.2	832.8	28.0
100 or more employees	101	7.6	23.8	57.6	939.0	63.3	1,860.0	62.5
Vitreous china food utensils	32	100.0	6.3	100.0	196.3	100.0	241.6	100.0
Plants with average employment of --								
1 - 19 employees	12	37.5	0.1	1.6	1.7	0.9	2.2	0.9
20 - 99 employees	9	28.1	0.7	11.1	13.5	6.9	19.1	7.9
100 or more employees	11	34.4	5.5	87.3	181.1	92.3	220.3	91.2
Fine earthenware food utensils	38	100.0	3.0	100.0	61.6	100.0	87.6	100.0
Plants with average employment of --								
1 - 19 employees	20	52.6	0.1	3.3	2.3	3.7	3.0	3.4
20 - 99 employees	9	23.7	0.4	13.3	9.0	14.6	12.3	14.0
100 or more employees	9	23.7	2.5	83.3	50.3	81.7	72.3	82.5

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
General Summary MC82-S-1 (Part 2)

GENERAL INDUSTRY STATISTICS

Location of the Industry

The most recent census of manufactures (1982) shows that New York, Pennsylvania and California are the leading centers for production of tabletop products.

Industry Statistics For Leading States

	All Plants		All Employees		Value Added By Manufacture*	
Industry	Total	With 20+ Employees	No. (Thous.)	%	Mil. $	%
Silverware & plated ware	208	55	9.1	100.0%	$ 311.9	100.0%
Leading states						
Connecticut	18	6	1.0	11.0	47.6	15.3
Massachusetts	29	14	2.6	28.6	82.2	26.4
New York	37	9	2.4	26.4	93.6	30.0
Pressed & blown glass	331	116	37.4	100.0	1,743.1	100.0
Leading states						
California	50	6	0.9	2.4	45.8	2.6
New York	22	6	1.0	2.7	57.6	3.3
Pennsylvania	28	16	5.7	15.2	251.5	14.4
West Virginia	27	23	4.6	12.2	146.9	8.4
Products of purchased glass	1,337	387	41.3	100.0	1,483.7	100.0
Leading states						
California	244	60	4.6	11.1	159.1	10.7
New Jersey	99	39	3.5	8.5	112.9	7.6
New York	126	29	4.1	9.9	202.3	13.6
Ohio	72	28	2.8	6.8	123.8	8.3
Pennsylvania	75	32	5.3	12.8	208.3	14.0
Vitreous china food utensils	32	20	6.3	100.0	196.3	100.0
Leading states						
California	6	4	0.4	6.3	8.3	4.2
Pennsylvania	5	5	1.5	23.8	42.5	21.7
Fine earthenware food utensils	38	18	3.0	100.0	61.6	100.0
Leading states						
California	12	7	1.1	36.7	30.4	49.4
Ohio	8	7	1.4	46.7	23.2	37.7

* For explanation of this value, see page 8. The total value of product shipments (all producers) by leading state is covered in the PRODUCT SHIPMENTS section.

Source: U.S. Bureau of the Census,
1982 Census of Manufactures.

PRODUCT SHIPMENTS

In contrast with "industry shipments" previously covered and defined on page 8, the value of product shipments covers the total value of shipments of specified classified items produced by all U.S. manufactures, regardless of the industry they are classified in based on their primary product. This includes products for the institutional market as well as for retail trade.

The following tables provide data on shipments for the years 1982-1985. The 1982 data, from the census of manufactures, are the most comprehensive, providing detail on some product categories not available for later years. Data for major tabletop classifications are available for 1984 from the annual survey of manufactures, while the most recent data on glassware shipments are contained in the 1985 Current Industrial Report.

Total table, kitchen, art, and novelty glassware shipments declined 5.4% in value in 1985 from the year before. There was a drop in the quantity shipped for nearly all glassware products measured that year, both machine-made and hand-made.

Quantity and Value of Shipments of Specified Glassware Products, 1984 and 1985

	1985		1984	
	Quantity	Value (Mil. $)	Quantity	Value (Mil. $)
Table, kitchen, art and novelty glassware, total (from produced and purchased glass)	--	$1,235.7	--	$1,306.9
Machine-made:				
Tumblers (mil. dozen)	42.0	183.6	47.6	206.7
Stemware (mil. dozen)	11.7	119.5	13.3	149.3
Tableware (mil. pieces)	115.1	122.3	205.6	243.5
Hand-made:				
Tumblers (mil. pieces)	0.7	1.6	1.1	1.5
Stemware (mil. dozen)	0.4	18.1	0.7	18.5
Tableware (mil. pieces)	3.9	18.2	3.9	16.5
Other handmade, table, kitchen, art, and novelty glassware	--	59.6	--	65.2

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Glassware MA32E(85)-1

PRODUCT SHIPMENTS

Value of Shipments By All U.S. Manufacturers, 1983 and 1984
(Millions of Dollars)

	1984	1983	% Change 1984/83
Silverware and plated ware, total	$432.1	$442.1	- 2.3%
Holloware	242.2	207.8	+16.6
Flatware	165.6	217.4	-23.8
Silverware and plated ware, n.s.k.	24.4	16.9	+44.4
Table, kitchen, art, and novelty glassware, made from produced glass	804.2	818.8	- 1.8
Vitreous china food utensils	217.1	201.6	+ 7.7
Fine earthenware food utensils	44.7	75.6	-40.9

n.s.k. not specified by kind (miscellaneous)

Source: U.S. Bureau of the Census,
1984 Annual Survey of Manufactures

Quantity and Value of Shipments of Specified Tabletop Products
By All U.S. Manufacturers, 1982

	1982		1977	
	Quantity	Value (Mil. $)	Quantity	Value (Mil. $)
Silverware and plated ware, total	--	$489.3	--	$403.2
Holloware	--	208.2	--	175.2
Sterling silver	--	23.8	--	40.1
Electrosilver plated	--	82.6	--	83.1
Stainless steel	--	7.4	--	1.8
Pewter	--	28.8	--	19.6
Unplated and plated holloware of other metals	--	65.5	--	30.6
Holloware, n.s.k.				
Flatware (including all knives, spoons, and carving sets made wholly of metal)	--	266.1	--	193.2
Sterling silver (thous. doz.)	658.0	119.4	469.0	80.6
Electosilver plated:				
Noninstitutional (thous. doz.)	655.0	14.6	na	12.1
Stainless steel (thous. doz.)				
Institutional Noninstitutional	na	100.0	15,706.0	78.3
Unplated and plated flatware of other metals	na	12.4	na	7.1

(continued)

PRODUCT SHIPMENTS

Quantity and Value of Shipments of Specified Tabletop Products
By All U.S. Manufacturers, 1982
(continued)

	1982		1977	
	Quantity	Value (Mil. $)	Quantity	Value (Mil. $)
Table, kitchen, art and novelty glassware:				
Machine made:				
Tumblers (mil. doz. pieces)	50.3	$205.3	72.8	$173.6
Stemware (mil. doz. pieces)	12.5	111.9	18.1	71.8
Tableware (mil. doz. pieces)	248.4	236.2	na	na
Ornamental, decorative, novelty glassware	--	163.0	--	85.6
Handmade:				
Tumblers (mil. pieces)	1.4	2.4	2.2	3.6
Stemware (mil. doz. pieces)	1.4	24.6	2.0	24.2
Tableware (mil. pieces)	4.2	14.5	6.1	15.2
Fine earthenware (semivitreous) food utensils:				
Household tableware (mil. doz. pieces)	9.5	70.9	12.2	77.1

na not available

Source: U.S. Bureau of the Census,
1982 Census of Manufactures
MC82-I-32A, 32C, 39A

Concentration of Product Shipments

Share of Total Value of Shipments of Specified Products
Accounted for by the Largest Companies: 1977, 1982

	Total Shipments (Mil. $)	Percent of Shipments Accounted for by the Largest Companies			
		Top 4	Top 8	Top 20	Top 50
Silverware and plated ware, total					
1982	$489.3	58%	72%	85%	93%
1977	403.2	51	67	82	91
Holloware					
1982	208.2	40	56	79	94
1977	175.2	44	64	90	100
Flatware					
1982	266.1	75	93	99	100
1977	193.2	68	87	98	100
Table, kitchen, art, and novelty glassware					
1982	813.0	84	92	98	100
1977	743.0	77	91	99	100

(continued)

PRODUCT SHIPMENTS

Concentration of Product Shipments

Share of Total Value of Shipments of Specified Products Accounted for by the Largest Companies: 1977, 1982
(continued)

	Total Shipments (Mil. $)	Percent of Shipments Accounted for by the Largest Companies			
		Top 4	Top 8	Top 20	Top 50
Vitreous china and porcelain table and kitchen articles					
1982	$204.8	63%	87%	99%	100%
1977	140.9	66	92	99	100
Earthenware table and kitchen articles					
1982	91.3	53	71	95	100
1977	90.8	52	78	99	100

Source: U.S. Bureau of the Census,
1982 Census of Manufactures

Leading States

Share of Total Shipments of Specified Products Accounted For By Producers In Leading States
(Value in millions of dollars)

	Value	Percent
Holloware	$208.2	100.0%
Connecticut	16.5	7.9
Massachusetts	78.9	37.9
New Jersey	12.0	5.8
New York	37.8	18.2
Ohio	3.7	1.8
Pennsylvania	8.9	4.3
Table, kitchen, art, and novelty glassware	813.0	100.0
Pennsylvania	107.9	13.3
West Virginia	189.4	23.3

Source: U.S. Bureau of the Census,
1982 Census of Manufactures.

PRODUCER PRICE TRENDS

Prices of silverware at the U.S. factory level in July 1986 averaged 1.8% below the level for the same month a year earlier. The biggest drop was in electrosilver plated products, down 4.5%. In contrast, prices for virtually all glassware products, as well as china, rose over July 1985 prices.

Producer prices averaged for all 1985 also show increases in the price levels for glassware and china. Table, kitchen, art, and novelty glassware rose 4.2% from the 1984 annual average, while prices for vitreous china food utensils gained 5.5%.

PRODUCER PRICE TRENDS

Producer (Factory) Price Index For Selected Tabletop Items

	July Averages			Annual Averages		
	1986	1985	% Change 1986/85	1985	1984	% Change 1985/84
Silverware, plated ware and stainless steel ware (6/85=100)	99.1	100.9	- 1.8%	na	na	--
Holloware	98.5	99.8	- 1.3	na	na	--
Sterling silver	98.6	99.0	- 0.4	na	na	--
Electrosilver plated	95.5	100.0	- 4.5	na	na	--
Pewter	102.5	100.0	+ 2.5	na	na	--
Flatware	98.7	102.1	- 3.3	102.1	na	--
Sterling silver	107.4	106.6	+ 0.8	106.7	na	--
Stainless steel	87.8	na	--	na	na	--
Pressed and blown glass (6/83=100)	108.9	107.0	+ 1.8	107.4	107.5	- 0.1%
Table, kitchen, art, and novelty glassware	108.5	106.9	+ 1.5	106.6	102.3	+ 4.2
Machine made:	107.4	105.7	+ 1.6	105.5	101.5	+ 3.9
Tumblers	109.1	109.0	+ 0.1	107.6	100.2	+ 7.4
Tableware	105.5	101.9	+ 3.5	102.7	101.4	+ 1.3
Ornamental, decorative and novelty glassware	107.0	106.3	+ 0.7	105.9	101.5	+ 4.3
Handmade:	121.8	121.4	+ 0.3	121.2	113.0	+ 7.3
Stemware	127.6	128.1	- 0.4	128.1	118.1	+ 8.5
Tableware	117.3	115.4	+ 1.6	115.4	106.8	+ 8.1
Ornamental, decorative and novelty glassware	117.1	116.2	+ 0.8	115.6	109.7	+ 5.4
Products of purchased glass (6/83=100)	108.3	104.3	+ 3.8	105.8	102.2	+ 3.5
Consumer glassware	117.1	111.5	+ 5.0	112.8	109.5	+ 3.0
Vitreous china food utensils (12/83=100)	112.9	108.7	+ 3.9	108.3	102.7	+ 5.5
Household tableware (1/84=100)	111.4	105.2	+ 5.9	104.8	na	--

na not available

Source: U.S. Bureau of Labor Statistics

FOREIGN TRADE

Imports

Imports of tabletop merchandise to the U.S. were generally up in 1985. Even in those areas where there was a drop-off from the year before, imports were still far above their 1982 level. Tabletop imports dominate many segments of the American market and will continue to do so for the forseeable future.

U.S. imports of silverware and plated ware accounted for over one-third of domestic consumption in 1985. Pressure from imports is most intense at the low end of the market, especially in stainless steel flatware. The ability of foreign producers to buy steel at low prices gives them a competitive advantage over domestic producers. The leading foreign suppliers -- Japan, South Korea, and Taiwan -- account for nearly three-quarters of U.S. silverware and plated ware imports.

Earthenware imports made strong inroads into the U.S. market in 1985, up more than 23%. Major suppliers were Japan, the United Kingdom and South Korea. The domestic industry has been having difficulty offsetting the price differences between imported and U.S.-made earthenware. A good deal of domestic earthenware production is at the low end of the market.

FOREIGN TRADE

Imports (continued)

Japan accounted for nearly half of china imports, which rose 2.3% overall in 1985. In particular, it dominated nonbone china tableware classifications. Mass dinnerware has, for the most part, been sourced in the Far East, especially Japan. However, with the fluctuation of the yen rate (during the past year, the dollar has lost about 40% of its buying power there), manufacturers are looking to China. As the quality of its products improve, China is making its mark in promotional stoneware and porcelain, taking business away from Korea and Taiwan. The United Kingdom, with resources such as Wedgwood and Royal Doulton, is another major supplier of chinaware. The United Kingdom is also an important supplier of glassware, as are France and West Germany. Ireland, led by Waterford, leads in high-end glassware imports to the U.S.

Quantity and Value of Imports to U.S. of Tabletop Items, 1982, 1984, 1985

Earthenware	Net Quality (000)*			
	1985	1984	1982	% Change 1985/84
Earthenware or stoneware, coarse-grain	180	142	93	+ 26.2%
Earthenware, fine-grain, red body household ware	88	94	155	- 6.5
Earthenware, fine-grain, in spec. sets, not over $38 each	2,919	1,932	911	+ 51.1
Earthenware, fine-grain, in spec. sets, over $38 each	22,283	17,722	14,223	+ 25.7
Steins with permanently attached pewter lids	38	19	14	+ 96.3
Mugs and other steins	14,620	11,931	7,198	+ 22.5
Earthenware candy boxes, punch bowls, dishes, servers, etc.	1,438	1,605	766	- 10.4
Earthenware, fine-grain, cups $5.25+, other products over $3	742	828	629	- 10.4
Articles of fine-grained earthenware	6,665	5,392	2,963	+ 23.6
Total, earthenware	48,973	39,656	26,952	+ 23.5

Earthenware	C.I.F. Value (Thous. $)				
	1985	1984	1982	% Change 1985/84	Leading Exporter 1985**
Earthenware or stoneware, coarse-grain	$1,208	$1,251	$ 633	- 3.4%	--
Earthenware, fine-grain, red body household ware	617	848	940	- 27.2	--
Earthenware, fine-grain, in spec. sets, not over $38 each	12,093	9,398	5,369	+ 28.7	Japan
Earthenware, fine-grain, in spec. sets, over $38 each	168,153	134,501	116,175	+ 25.0	Japan
Steins with permanently attached pewter lids	1,389	1,273	1,124	+ 9.1	W.Germany
Mugs and other steins	86,042	81,299	43,564	+ 5.8	Japan
Earthenware candy boxes, punch bowls, dishes, servers, etc.	9,646	11,868	5,330	- 18.7	Japan
Earthenware, fine-grain, cups $5.25+, other products over $3	15,565	16,137	9,984	- 3.5	Japan
Articles of fine-grained earthenware	50,155	51,956	29,123	- 3.5	Japan
Total earthenware	344,868	308,531	212,242	+ 11.8	

(continued)

Quantity and Value of Imports to U.S. of Tabletop Items, 1982, 1984, 1985
(continued)

China	Net Quality (000)* 1985	1984	1982	% Change 1985/84
Bone china	970	1,320	666	- 26.5%
Chinaware, nonbone in specified sets valued not over $56	4,680	4,297	3,164	+ 8.9
Chinaware, nonbone in specified sets, valued over $56 set	7,215	6,510	5,189	+ 10.8
Steins with permanently attached pewter lids, not in spec. sets	5	6	1	- 15.7
Mugs and other steins, not in specified sets	2,506	2,263	1,211	+ 10.7
Candy boxes, decanters, bowls, servers, not in specified sets	507	708	496	- 28.4
Nonbone china tableware - high value	680	970	658	- 29.9
Nonbone china tableware - medium value	4,395	4,419	4,505	- 0.5
Total, china	20,958	20,493	15,891	+ 2.3

China	C.I.F. Value (Thous. $) 1985	1984	1982	% Change 1985/84	Leading Exporter 1985**
Bone china	$ 49,008	$40,972	$29,127	+ 19.6%	United Kingdom
Chinaware, nonbone in specified sets valued not over $56	18,276	22,676	15,734	- 19.4	China
Chinaware, nonbone in specified sets, valued over $56 set	96,723	100,503	79,855	- 3.8	Japan
Steins with permanently attached pewter lids, not in spec. sets	291	317	285	- 8.2	--
Mugs and other steins, not in specified sets	17,722	16,500	8,266	+ 7.4	Japan
Candy boxes, decanters, bowls, servers, not in specified sets	3,983	5,611	2,941	- 29.0	Japan
Nonbone china tableware--high value	16,207	18,875	14,453	- 14.1	Japan
Nonbone china tableware--medium value	25,458	28,604	25,379	- 11.0	Japan
Total, china	227,668	234,058	176,040	- 2.7	

(continued)

Quantity and Value of Imports to U.S. of Tabletop Items, 1982, 1984, 1985
(continued)

Glassware	Net Quantity (000)*			
	1985	1984	1982	% Change 1985/84
Tumblers, goblets, stemware, tableware:				
Not over $1 each	13,512	6,851	5,033	+97.2%
$1 to $3 each	19,199	21,395	13,950	-10.3
Over $3 but not over $5 each	2,139	2,225	1,357	- 3.9
Over $5 each	4,424	4,637	3,337	- 4.6
Colored, with bubbles, seeds or stones throughout	4,697	3,865	5,008	+21.5
Colored, without bubbles, seeds or stones	1,292	843	640	+53.3
Not over $.30 each	29,139	27,597	8,348	+ 5.6
Over $.30 but not over $3 each	62,296	73,831	69,211	-15.6
Cut or engraved-$3 to $5 each	495	407	293	+21.4
Cut or engraved - over $5 each	267	315	157	-15.3
Not cut or engraved - over $3 but not over $5 each	933	925	688	+ 0.9
Not cut or engraved - over $5 each	230	131	131	+75.7
Total, tumblers, goblets, etc.	138,622	143,021	108,153	- 3.1

Glassware	C.I.F. Value (Thous. $)				
	1985	1984	1982	% Change 1985/84	Leading Exporter 1985**
Tumblers, goblets, stemware, tableware:					
Not over $1 each	$ 10,594	$ 4,683	$ 3,580	+126.2%	France
$1 to $3 each	30,823	32,626	22,935	- 5.5	France
Over $3 but not over $5 each	8,714	8,983	5,433	- 3.0	W.Germany
Over $5 each	60,487	61,207	44,956	- 1.2	Ireland
Colored, with bubbles, seeds or stones throughout	2,473	2,141	2,679	+15.5	--
Colored, without bubbles, seeds or stones	575	401	396	+43.4	--
Not over $.30 each	4,910	4,342	1,523	+13.1	--
Over $.30 but not over $3 each	43,161	47,569	44,065	- 9.3	France
Cut or engraved-$3 to $5 each	2,037	1,708	1,239	+19.3	--
Cut or engraved - over $5 each	2,056	2,469	1,307	-16.7	--
Not cut or engraved - over $3 but not over $5 each	3,762	3,577	2,563	+ 5.2	W.Germany
Not cut or engraved - over $5 each	2,011	1,229	1,193	+63.6	--
Total, tumblers, goblets, etc.	171,603	170,934	131,869	+ 0.4	

(Glassware continued)

Quantity and Value of Imports to U.S. of Tabletop Items, 1982, 1984, 1985
(continued)

Glassware	Net Quality (000)*			
	1985	1984	1982	% Change 1985/84
Glassware nspf:				
Valued not over $1 each	8,574	5,781	7,710	+ 48.3%
From $1 to $3 each	7,371	5,085	5,658	+ 44.9
Over $3 but not over $5 each	2,683	2,730	1,227	- 1.8
Over $5 each	4,306	3,950	2,040	+ 9.0
With metal flecks embedded, not over $1 each	787	425	301	+ 84.9
With metal flecks embedded, over $1 each	364	257	113	+ 41.8
Pressed and toughened (tempered)	46,709	51,720	57,347	- 9.7
Not over $.30 each	24,811	22,116	9,783	+ 12.2
Over $.30 but not over $3 each	38,498	38,811	22,643	- 0.8
Cut or engraved - valued over $5 each	400	266	188	+ 50.4
Not cut or engraved - over $3 but not over $5 each	1,619	1,534	1,422	+ 5.5
Not cut or engraved - over $5 each	1,255	1,377	804	- 8.9
Total glassware nspf	137,374	134,053	109,235	+ 2.5
Total, glassware	275,996	277,074	217,388	- 0.4

Glassware	C.I.F. Value (Thous. $)				
	1985	1984	1982	% Change 1985/84	Leading Exporter 1985**
Glassware nspf:					
Valued not over $1 each	$5,125	$3,559	$3,098	+44.0%	Yugoslavia
From $1 to $3 each	14,729	9,876	10,395	+44.9	W. Germany
Over $3 but not over $5 each	11,165	11,053	4,965	+ 1.0	W. Germany
Over $5 each	63,722	57,894	31,676	+10.1	France
With metal flecks embedded, not over $1 each	299	181	150	+65.2	--
With metal flecks embedded, over $1 each	2,101	1,197	518	+75.5	Italy
Pressed and toughened (tempered)	23,510	24,260	27,295	- 3.1	France
Not over $.30 each	4,110	3,642	1,467	+12.9	Taiwan
Over $.30 but not over $3 each	33,358	32,432	20,010	+ 2.9	Taiwan
Cut or engraved - valued over $5 each	3,924	3,071	2,225	+27.8	Romania
Not cut or engraved - over $3 but not over $5 each	6,692	6,293	5,715	+ 6.3	Taiwan
Not cut or engraved - over $5 each	16,199	17,614	10,733	- 8.0	Italy
Total glassware nspf	184,934	171,072	109,235	+ 8.1	
Total, glassware	356,537	342,006	241,104	+ 4.2	

(continued)

Quantity and Value of Imports to U.S. of Tabletop Items, 1982, 1984, 1985
(continued)

Flatware	Net Quality (000)*			
	1985	1984	1982	% Change 1985/84
Spoons:				
With sterling silver handles	180	80	25	+124.9%
With silver plated handles	4,664	4,065	2,319	+ 14.8
With stainless steel handles	245,371	247,925	193,202	- 1.0
With non-metal handles or handles of metals other than stainless steel	15,289	18,756	15,109	- 18.5
Spoons, nspf	9,227	6,609	3,603	+ 39.6
Total, spoons	274,731	277,435	214,257	- 1.0
Forks:				
With silver handles	48	54	24	- 10.7
With silver plated handles	3,309	2,241	621	+ 47.7
With stainless steel handles containing no nickel and not over 10% manganese	154,611	155,678	122,963	- 0.7
With stainless steel handles containing nickel or over 10% manganese	5,699	13,047	7,591	- 56.3
With rubber or plastic handles	13,659	12,472	9,962	+ 9.5
Forks, nspf	5,296	7,850	6,923	- 32.5
Total, forks	182,623	191,342	148,083	- 4.6
Knives:				
With silver handles	38	18	16	+110.2
With silver plated handles	1,798	1,510	949	+ 19.1
With stainless steel handles containing nickel and not over 10% manganese	87,621	86,982	72,957	+ 0.7
With stainless steel handles containing nickel or over 10% manganese	2,699	4,475	2,958	- 39.7
With handles of animal, horn, bone, etc.	17	47	37	- 63.7
With handles of rubber or plastic	14,276	9,690	3,059	+ 47.3
Knives, nspf	37,817	36,794	26,287	+ 2.8
Total, knives	144,267	139,516	106,263	+ 3.4
Sets:				
Sets with spoons, forks & knives	298,234	371,712	209,861	- 19.8
Total, flatware	899,855	980,005	678,464	- 8.2

(Flatware continued)

Quantity and Value of Imports to U.S. of Tabletop Items, 1982, 1984, 1985
(continued)

	C.I.F. Value (Thous. $)				
Flatware	1985	1984	1982	% Change 1985/84	Leading Exporter 1985**
Spoons:					
With sterling silver handles	$1,040	$1,055	$ 729	- 1.4%	--
With silver plated handles	3,927	4,005	2,302	- 2.0	Taiwan
With stainless steel handles	31,846	34,209	29,407	- 6.9	Japan
With non-metal handles or handles of metals other than stainless steel	6,258	4,813	4,047	+ 30.0	Japan
Spoons, nspf	2,758	2,620	1,707	+ 5.3	--
Total, spoons	45,829	46,702	38,192	- 1.9	
Forks:					
With silver handles	924	813	721	+ 13.7	--
With silver plated handles	2,370	2,181	914	+ 8.7	Taiwan
With stainless steel handles containing no nickel and not over 10% manganese	19,320	20,384	15,634	- 5.2	S. Korea
With stainless steel handles containing nickel or over 10% manganese	3,078	5,033	4,019	- 38.8	Japan
With rubber or plastic handles	1,829	1,607	1,047	+ 13.8	--
Forks, nspf	2,360	2,376	2,201	- 0.7	Japan
Total, forks	29,881	32,394	24,536	- 7.8	
Knives:					
With silver handles	704	438	388	+ 45.8	--
With silver plated handles	2,566	2,306	1,639	+ 11.3	Taiwan
With stainless steel handles containing nickel and not over 10% manganese	21,966	22,400	19,857	- 1.9	S. Korea
With stainless steel handles containing nickel or over 10% manganese	3,925	5,134	3,508	- 23.5	Japan
With handles of animal, horn, bone, etc.	87	111	167	- 21.6	--
With handles of rubber or plastic	5,434	3,652	2,037	+ 48.8	Taiwan
Knives, nspf	12,687	12,016	8,167	+ 5.6	Japan
Total, knives	47,369	46,102	35,763	+ 2.7	
Sets:					
Sets with spoons, forks & knives	80,486	94,060	58,769	- 14.4	Japan
Total, flatware	203,565	219,258	157,260	- 7.2	

nspf U.S. Census Bureau abbreviation denoting data that does not fall into any specified classifications.

* Units of quantity are as follows:

Earthenware -- dozens of pieces	Glassware -- number of pieces
China -- dozens of pieces	Flatware -- number of pieces

**Leading exporting nations were only listed for those commodities where there was a clear leader.

Source: U.S. Bureau of the Census, *U.S. Imports For Consumption, FT246*, Annual 1982, 1984, 1985.

FOREIGN TRADE

Exports

U.S. exports in reported categories of tableware/flatware generally declined sharply in value in 1985 compared with 1984, but some products did better in the first quarter of 1986. As the value of the U.S. dollar declines, U.S. exports of tabletop products are expected to show growth. Canada is among major foreign markets for U.S. production of earthenware, glassware and silverware. Japan and West Germany are also important markets for silverware. Leading export destinations for china are the United Kingdom and Australia.

U.S. Exports of Tableware and Flatware, First Quarter 1986

	First Quarter			Annual		
	1986	1985	% Change 1986/85	1985	1984	% Change 1985/84
Fine earthenware food utensils:						
Quantity (thous. doz.)	67	113	-40.7%	341	639	-46.6%
Value (thous. $)	$ 571	$ 404	+41.3	$2,189	$3,428	-36.1
Vitreous china food utensils:						
Quantity (thous. doz.)	378	495	-23.6	1,629	2,343	-30.5
Value (thous. $)	$2,780	$3,865	-28.1	$13,565	$19,353	-29.9
Table flatware, precious metals:						
Quantity (pieces)	9,484	30,455	-68.9	51,221	65,431	-21.7
Value (thous. $)	$ 139	$ 398	-65.1	$ 977	$ 1,290	-24.3
Table flatware, stainless steel:						
Quantity (pieces)	155,321	155,710	- 0.2	657,603	4,582,968	-85.7
Value (thous. $)	$ 435	$ 280	+55.4	$ 1,313	$ 36,331	-96.4

Source: U.S. International Trade Commission: U.S. Trade Shifts in Selected Commodity Areas (First Quarter 1986)

ADVERTISING

Leading Advertisers

Corning Glass Works was the leading purchaser of magazine advertising space for the first half of 1986, spending nearly $3.5 million through June 30. For the same period last year, it spent just $161,935. The bulk of its advertising expenditures were to promote its Corelle dinnerware, with the balance going toward products from its Steuben Glass division.

The second leading advertiser in the industry was Waterford Crystal with expenditures totaling $2.2 million, a gain of 17% from the first half of 1985. Lenox advertising was up 15.2% for the period to $1.5 million. 10 of the 13 leading dinnerware/glassware advertisers spent more during the first six months of 1986 than the comparable 1985 period, the exceptions being Orrefors, Wedgwood, and Pfaltzgraff.

The leading flatware advertisers were evenly split between those that have spent more than in 1985 and those that have spent less. Oneida's expenditures are down 45% thus far this year to just over $1 million. Goebel and Lladro (Weil Ceramic) figurines led in advertising for that classification, with gains of 42% and 89%, respectively, over last year.

Leading Advertisers (continued)

Through July 1986, purchases of magazine space by all dinnerware/glassware/pottery advertisers was up 31.7% over the comparable 1985 period. Purchases by all flatware advertisers was down 27.6%, while advertising of figurines shot up 70.5%.

Leading Tabletop and Giftware Advertisers in Consumer Magazine Spending for Space: First Half 1985 and 1986

	First Half 1986	First Half 1985
Dinnerware/Glassware/Pottery		
Corning Glass Works	$3,497,158	$ 161,935
Waterford Crystal	2,198,186	1,874,846
Lenox China & Crystal	1,545,075	1,341,784
Durand Imported Crystal	331,928	193,020
Baccarat Crystal	310,327	227,811
Orrefors Crystal	303,302	311,251
Russ Berrie Mugs	255,810	--
Gorham China & Crystal	254,229	124,751
Noritake China, Crystal, Tableware	237,385	206,474
Lalique Crystal	235,961	199,070
Wedgwood China & Crystal	171,795	309,823
Royal Copenhagen Porcelain	171,275	100,106
Pfaltzgraff Stoneware	158,521	201,759
Flatware		
Oneida	1,022,211	1,871,356
Gorham	191,505	207,950
Sterling Silversmiths Guild	178,459	--
Christofle	157,100	177,736
Wallace-International	139,634	--
Kirk Stieff	133,651	1,932
Yamazaki	75,630	51,820
Towle	75,214	191,278
Reed & Barton	74,545	223,327
Figurines/Decorative Assessories		
Goebel Figurines	298,585	210,173
Lladro Figurines (Weil Ceramic & Glass)	296,597	156,615
Waterford Crystal Lamps	177,478	17,450
Boehm Porcelain Reproductions	174,130	45,075
J. Seward Johnson Sculptures	50,774	31,065
Ebeling & Reuss Figurines	46,612	--
Gorham Porcelain Reproductions	14,470	--

Source: Publishers Information Bureau, Leading National Advertisers

ADVERTISING

Leading Advertisers (continued)

According to the 1986 edition of Ads Forecasts (Advertising Age, September 15, 1986), total advertising dollars for the silverware/flatware industry represented 2.5% of industry sales in 1985. The study, an annual report on advertising expenditures, is produced by Pansophic Systems (it was formerly produced by Schoenfeld & Associates). Ad dollars in the industry represented 9.8% of total gross margins (net sales less cost of goods sold) and ad expenditures grew by 2.0% in 1985. Spending includes both media spending as well as collateral literature and production.

AT THE RETAIL LEVEL

CONSUMER EXPENDITURES

The nation's consumers spent an estimated total of $12.8 billion for china, glassware, tableware, and utensils in 1985. This was nearly 5% above the total of $12.2 billion reported by the Bureau of Economic Analysis for 1984. The 1984 total was about 9% higher than in 1983.

On a constant dollar basis, eliminating the effects of inflation, spending in 1985 gained more than 4% over 1984. These figures cover the value at retail of all goods (new and used) reaching the consumer through any channel, including retail outlets, premiums, direct sale by manufacturers and wholesalers, flea markets, fairs, etc.

Personal Consumption Expenditures For China, Glassware, Tableware and Utensils, 1982-1985
(Billions of dollars)

	1985	1984	1983	1982
Current Dollars	$12.8	$12.2	$11.2	$10.4
Constant (1982) Dollars	12.5	12.0	11.0	10.4

Source: U.S. Department of Commerce,
Bureau of Economic Analysis

The above consumption figures, by definition, include kitchenware products, which account for a significant portion of the total. Modern Bride magazine estimates that retail sales solely of tableware and table accessory products was nearly $5.6 billion in 1985. The 1982 census of retail trade, compiled by the U.S. Census Bureau, places retail sales of dinnerware, glassware, tableware and giftware in specified retail outlets with payroll at $4.3 billion for the year.

A retail preference for formal, traditional designs in tabletop has highlighted an upturn in business for a number of stores, particularly in china, silver holloware and high-end crystal. Increased consumer interest in fine, better quality classic designs has gone hand-in-hand with narrower, cleaner stock positions; better looking retail presentations; and price realigning by manufacturers in generating stronger retail sales. The emphasis on promotional goods that was prevalent in the market last season has clearly lost its luster among many retailers.

RETAIL SALES BY PRODUCT

In late 1985, the U.S. Bureau of the Census released reports on retail sales of specific major merchandise categories by type of retail outlet, based on the complete census of retail trade covering operations in 1982.

The following table covers the sales share in reported tabletop and giftware classifications held by types of retail outlets. The census of retail trade, compiled every five years by the Bureau of the Census, is the only official data compiled on merchandise line sales by type of retail outlet. The following table covers outlet types for which tabletop/giftware sales were specifically reported. Not included are mail order (catalog headquarter) sales, supermarket sales, etc. Mail order catalogs account for a significant, but undetermined, share of sales.

Tabletop and Giftware Sales by Specified Outlet Type, 1982
(In retail establishments with payroll)

	No. of Establishments	Sales by Outlet Type Thous. $	Percent
Tabletop and giftware, reported total	--	$4,315,115	100.0%
Department stores*, total	--	2,652,928	61.5
Dinnerware, glassware, tableware, giftware	8,750	1,465,680	
Decorative accessories	8,962	1,187,248	
Variety stores, total	--	256,098	5.9
Dinnerware, glassware, tableware giftware	6,900	120,668	
Decorative accessories	7,397	135,430	
Drapery, curtain, and upholstery stores, total	--	14,879	0.4
Dinnerware, glassware, tableware, giftware	73	5,416	
Decorative accessories	409	9,463	
Jewelry stores, total	--	292,662	6.8
China and glassware	4,663	140,020	
Flatware and holloware	5,999	152,642	
Gift, novelty and souvenir shops:			
Giftware, glassware and novelties	12,968	1,037,576	24.0
Luggage and leather goods stores:			
Giftware, glassware and novelties	284	13,124	0.3
Book stores:			
Giftware, glassware and novelties	718	22,499	0.5
Stationery stores:			
Giftware, glassware and novelties	584	25,349	0.6

* Includes discount department stores as well as traditional department stores. Also includes department stores operated by national chains, such as Sears, Ward, Penney.

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade

RETAIL SALES BY STORE TYPE

Department Stores

According to the 1982 census of retail trade, U.S. Bureau of the Census, department stores accounted for 61.5% of total retail sales of tabletop and giftware products by major store types that year. In 1982, there were 9,981 department stores operating in the U.S. Of these, 8,750 (88%) reported sales of dinnerware, glassware, tableware, and giftware. 8,962 stores (almost 90%) had sales of decorative accessories.

Dinnerware, glassware, tableware, and giftware accounted for 1.5% of all department store sales. Decorative accessories were 1.2% of total department store sales.

Typical operating ratios of tabletop departments within department stores are compiled annually by the National Retail Merchants Association. The following table shows median figures for 1984.

Merchandising & Operating Results of Tabletop Departments
In Department Stores With Sales Over $1 Million
(Median Results)

	China (60)*	Glassware (60)*	Silverware (43)*	Gift Shop (48)*
Net sales, % change from last year	1.3	10.4	5.0	8.3
Sales, % to total store	1.0	0.6	0.7	0.8
Net sales, % of merchandise division **	12.1	8.2	8.0	8.7
$ sales per sq. ft. of selling space (main or largest unit)	$113.8	$ 89.2	$121.1	$44.1
Cumulative markon, %	46.3	50.0	43.9	52.6
Gross margin, % of net sales (incl. cash discounts)	41.9	43.9	40.7	44.9
Markdown, retail, % of sales	13.3	11.7	12.0	17.8
Number of stock turns (times)	1.2	1.2	1.3	1.5
Sales promotion, % of net sales	5.7	5.7	5.9	4.1

* Number in parenthesis refers to the number of reporting companies.

**Merchandise division is Home Furnishings: Furniture & Decorative Accessories.

Source: National Retail Merchants Association
Merchandising & Operating Results of 1984
(1985 edition)

The expense of operating a tabletop area has precluded many department stores from making a profit on it. Low profit margins have prompted some stores to reduce the amount of space they have alloted to this merchandise.

Among stores that have, nevertheless, done very well with their tabletop departments is Bloomingdale's. Its renovated department generated $20 million in tabletop business, with the bridal registry accounting for 35% of that figure. The store highlights merchandise from producers that have limited distribution and maintain their pricing structure. Producers are expected to deliver on time and provide extensive customer service.

RETAIL SALES BY STORE TYPE

Gift, Novelty, and Souvenir Shops

According to the 1982 census of retail trade, there were 22,311 gift, novelty, and souvenir shops in operation that year, with sales totaling $4.6 billion. 12,968 of these establishments (58.1%) reported sales of giftware, glassware, and novelties. Sales of this merchandise was just over $1.0 billion, representing 22.5% of all sales in the store type.

RETAIL SALES: THE BRIDAL MARKET

The number of marriages in 1985 (2,425,000) represented the fourth largest annual total in U.S. history. While the marriage rate has been falling, the bridal market represents the single most important source of tabletop/giftware business.

Number of Marriages By Region, 1985

	Number	% of U.S. Total
U.S. Total	2,436,796*	100.0%
South Atlantic	443,595	18.2
East North Central	365,658	15.0
West South Central	319,824	13.1
Middle Atlantic	315.466	12.9
Pacific	314,542	12.9
Mountain	233,165	9.6
East South Central	172,440	7.1
West North Central	157,251	6.5
New England	114,855	4.7

Note: Data are by state of occurrence rather than by state of residence.

* Data includes marriages reported or marriage licenses issued.

Though June continues to be the most popular month for marriages, there is more balance throughout the rest of the year than there once was, providing year-round opportunities for retailers.

Number of Marriages By Month, 1985

	Number	% of U.S. Total
U.S. Total	2,425,000	100.0%
January	129,000	5.3
February	146,000	6.0
March	157,000	6.5
April	174,000	7.2
May	238,000	9.8
June	280,000	11.5
July	235,000	9.7
August	255,000	10.5
September	235,000	9.7
October	206,000	8.5
November	182,000	7.5
December	187,000	7.7

Source: U. S. Department of Health & Human Services, Monthly Vital Statistics Report, September 1986

RETAIL SALES: THE BRIDAL MARKET

The wedding gift market constitutes a major segment of total retail business in tabletop and giftwares. Through the operation of bridal registry services, brides are able to record their preferences on brands, patterns, etc., and retailers are able to maintain a strong link with the market, from trousseaux purchases through the equipping of a new home.

Men and women are delaying marriage to a large extent until they establish careers. This has resulted in more discretionary income and established tastes when they finally do marry. Those who might already have one or two sets of casual dinnerware used in their own apartments are ready and able to trade up to fine china and crystal.

The increase in the number of "encore" weddings (now about 35% of all marriages) also represents sales opportunities. It is now socially acceptable for these couples to join bridal registries and second, even third weddings are no longer the sedate affairs they once were. The brides are more sophisticated and not as willing to settle for basics.

Modern Bride magazine has compiled estimates on the share of total sales of specific products accounted for the bridal market, including both gifts and items purchased by the newlyweds. In the case of sterling silver tableware, pewter and fine china, upwards of half the market was concentrated in bridal business.

Estimated Bridal Market Share of Total Tableware and Table Accessory Sales, 1985

Tableware	Total Bridal Market Sales (Mil. $)	Total National Retail Sales (Mil. $)	Bridal Market Share of National Sales
Sterling silver flatware	$ 168.2	$ 348.0	48.3%
Silver plated flatware	44.6	101.0	44.2
Pewter flatware	5.7	24.8	23.0
Stainless steel flatware	71.2	708.3	10.1
Fine crystal stemware/glassware	144.0	352.0	40.9
Casual glassware	45.0	553.0	8.1
Barware	26.4	354.0	7.5
Fine china dinnerware	249.3	503.0	49.6
Casual dinnerware	145.8	665.6	21.9
Other tableware	21.8	--	--
Total	922.0	3,609.7	25.5
Table Accessories			
Sterling silver table accessories	94.6	174.0	54.4
Silver plated table flatware	77.2	402.0	19.2
Pewter table flatware	34.3	57.6	59.5
Stainless steel table accessories	26.6	70.8	37.6
Fine crystal table accessories	104.5	226.0	46.2
Casual glass table accessories	45.7	558.0	8.2
Fine china table dinnerware	89.8	302.0	29.7
Casual china table accessories	40.1	176.0	22.8
Other table accessories	33.1	--	--
Total	545.9	1,996.4	27.3

Source: Modern Bride Magazine, A Summary of Bridal Market Retail Expenditures (1985)

RETAIL SALES: THE BRIDAL MARKET

The trend toward more elegant and formal weddings is reflected in the more traditional tabletop gifts that couples are receiving and buying for themselves. They're going for classic styles in silver and crystal by Lenox and Waterford. In dinnerware, Noritake -- which has made the bridal market a top priority for years -- has maintained its consistency in design despite the fashion-forward products of other companies.

Sales of sterling are down because of the price, but what is being sold is in very traditional patterns. People are investing in designs that they feel will still be fashionable years from now. Brides do not automatically pick sterling as they once might have. A bride may specify a certain kind of serving piece, for example, and give the donor the choice of sterling or crystal.

The high cost of silver has also stimulated sales of silverplated and stainless steel flatware. If a bride does not want to register for sterling, she may register for two different stainless patterns, a casual pattern for every day and a more elaborate one for formal occasions.

Estimated First Marriage and Remarriage Share of Tableware and Table Accessory Sales

	Total Bridal Market Sales (Mil. $)	Bridal Market	
Tableware		First Marriage (Mil. $)	Remarriage (Mil. $)
Sterling silver flatware	$ 168.2	$ 131.4	$ 36.8
Silver plated flatware	44.6	37.4	7.2
Pewter flatware	5.7	5.7	--
Stainless steel flatware	71.2	63.7	7.5
Fine crystal stemware/glassware	144.0	113.7	30.3
Casual glassware	45.0	38.0	7.0
Barware	26.4	21.3	5.1
Fine china dinnerware	249.3	194.4	54.9
Casual dinnerware	145.8	124.8	21.0
Other tableware	21.8	16.0	5.8
Total	922.0	746.4	175.6
Table Accessories			
Sterling silver table accessories	94.6	60.1	34.5
Silver plated table flatware	77.2	58.4	18.8
Pewter table flatware	34.3	32.0	2.3
Stainless steel table accessories	26.6	25.4	1.2
Fine crystal table accessories	104.5	74.9	29.6
Casual glass table accessories	45.7	37.3	8.4
Fine china table dinnerware	89.8	64.7	25.1
Casual china table accessories	40.1	36.8	3.3
Other table accessories	33.1	24.8	8.3
Total	545.9	414.4	131.5

Source: Modern Bride Magazine, A Summary of Bridal Market Retail Expenditures (1985)

BUYING HABITS

The following list reflects the percentage of the U.S. adult population that purchased at least one of the items in each category during the past 12 months based on over 14,000 diaries analyzed by the Simmons Market Research Bureau. This list does not reflect multiple purchases.

Percent of All Adults Who Bought At Least One Unit During the Past Year

Merchandise	Percent
Glassware (not crystal)	6.1%
Stainless steel flatware	5.8
Crystalware	4.8
Stoneware dinnerware	4.2
Casual/everyday dinnerware	3.2
Fine china dinnerware	2.4
Sterling silver flatware	1.6
Silverplated flatware	1.0

Source: Simmons Market Research Bureau, 1985
(1987 Newspaper Advertising Planbook)

Glassware

In recent MarkeTrends research from Chain Store Age/Leo J. Shapiro & Associates, shoppers expressed a greater concern for glassware prices than in the past, with discounters gaining favor as the outlet these customers think of when they plan to purchase glassware. In the research, 38.4% indicated plans to buy at a discount store. Department stores were cited as the next most popular outlet, followed by the Big 3 (Sears, J.C. Penney and Montgomery Ward). Most households questioned by Chain Store Age (66.7%) preferred to buy individual glassware pieces rather than sets.

SCHEDULE OF ADDITIONAL FACT FILES

COATS, SUITS, RAINWEAR, AND FURS (WOMEN'S, MISSES' AND JUNIORS'): Details number of manufacturers by employment size, cuttings, and value of shipments. Also covered at the industry level are price trends and imports/exports. At the retailer level, data is presented on estimates of retail volume, sales share by outlet, merchandising and operating results, and also focuses on consumer buying habits and plans.

CONSUMER MARKET DEVELOPMENTS: Provides a detailed view of consumers in the U.S., including population by age and income, number of households and living arrangements, school enrollment, educational attainment, the labor force, employment and earnings. Also covers trends in consumer prices, in personal consumption expenditures by product classification, and the outlook for consumer markets based on current economic trends.

DEPARTMENT STORE SALES (Including Selected Major Apparel Specialty Store Sales): Covers sales and the number of stores operated, listed by geographic region and state based on buying headquarter locations. Lists branch store sales where available, as well as plans to open new stores. Sales information on major general merchandise/apparel retail chains, which are listed alphabetically, and a list of department stores with sales of $50 million or more, are included. (1985 Edition available now -- 1986 Edition available in November)

DRESSES & RELATED APPAREL (WOMEN'S, MISSES' AND JUNIORS'): Statistics on the dress and related women's apparel industry, including trends in the number of manufacturers and in production and shipments. Also data on retail sales by outlet type and on consumer buying habits.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Information on a wide range of fashion accessories including jewelry, watches, gloves, belts, handbags, small leather goods, luggage, neckwear, hats. Includes key information at manufacturer level, as well as sales and consumer data.

FOOTWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A statistical summary of the U.S. footwear industry and footwear markets. Covers domestic production, shipments, and imports. Provides retail sales and merchandising statistics, including sales share by outlet type.

HOME TEXTILES: Information on the industry includes the latest data on number of manufacturers, production and shipments for a wide range of products, including bed linens, towels, blankets and comforters, slip covers, pillows, curtains and draperies. Trends in merchandising, departmental operations and sales by outlet type.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet and on patterns in consumer spending.

HOUSEHOLD FURNITURE AND BEDDING: Contains U.S. industry-wide data on quantity and value of manufacturers' shipments of furniture and bedding (mattresses and dual-purpose sleep furniture). Retail information includes sales by store type, consumers' furniture style preference, etc.

INFANTS', TODDLERS', GIRLS' AND BOYS' WEAR: Manufacturer data spotlights production, value of shipments, number of manufacturers, employment in the industry by company size, price trends. At the retailer level, data focuses on sales share by type of outlet and on operating ratios in department and specialty stores.

INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR (WOMEN'S, MISSES' & JUNIORS'): Data on production and shipments, tracing market shifts in response to fashion changes, retail trends, sales by outlet type, and merchandising ratios.

MAJOR APPLIANCES AND ELECTRIC HOUSEWARES: Covers a wide range of products in the major appliance and traffic appliance classifications, including equipment, and personal care appliances. Details production and shipments, sales trends, sales by outlet type and retail merchandising results.

MEN'S FURNISHINGS AND WORK WEAR: Includes information on number of manufacturers, production and shipment figures on shirts, underwear, nightwear, neckwear, hats, etc., size of firms, imports and exports. Also provides data at the retail level, including sales and merchandising trends, operating ratios, and sales share by type of outlet.

MEN'S SPORTSWEAR, CASUAL WEAR AND JEANS: The wide variety of men's wear items included in this broad category are covered from available information on the industry at the manufacturer, retailer and consumer level. Included is information on production and shipments, market trends, retail sales by outlet type and consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES AND RAINWEAR: Manufacturer level profiled by production value of shipments, employment, size of firms. Data is presented on retail sales, sales share by outlet type and operating ratios. Also data on consumer buying habits.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade recently issued by the U.S. Census Bureau.

THE SPORTS/FITNESS/LEISURE MARKETS: Covers developments in the rapidly changing markets for sports and physical-fitness-related merchandise. Contains statistical data on sports equipment, apparel and footwear as well as information on the number of participants in various sports. Also includes findings in a survey on specialized sporting goods retailer operations.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits.

A STATISTICAL ANALYSIS OF RETAILING: A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Includes information on the number of outlets by store type, sales, market shares by type of major merchandise classification, sales concentration by size of retail organization, geographical changes, etc. Comparisons (where valid) are made with findings in the last previous census, covering operations in 1977.

THE TEXTILE/APPAREL INDUSTRIES: Industry overview, providing statistics on fibers and fabrics as well as finished goods. Includes information on industry size, concentration of sales by mill/manufacturer size, production and shipments by U.S. mills, as well as exports and imports for end-use markets. Covers capital expenditures and data on mill machinery.

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry-wide statistics and projections, as well as data on leading manufacturers in various product categories. Consumer expenditures, buying habits and usage of various product types are highlighted, as well as data on sales by outlet type and advertising expenditures by major producers.

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E.B. Gold, Manager
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INTRODUCTION

The information in this Fact File is in four sections. Section I covers sales of department stores, and of large apparel specialty stores and the number of stores included in the sales figures. Retailers are listed by headquarter location (region, state and city). Sales figures are for the latest annual period available -- for the most part 1985 -- based on published reports or the best available trade sources, including the Fairchild trade press, Dun & Bradstreet, the National Retail Merchants Association and other trade sources.

Section II lists leading traditional department stores (buying headquarters) and the total sales volume accounted for by each operation, including all those with a total sales volume of $50 million or more. Section III is a list of the major general merchandise/apparel retail conglomerates with their sales. Emphasis is on traditional store operations, but a few large discounters and off-price operations have been included. Section IV covers a list of the major operators of conglomerates of stores operating under different names, including department and specialty stores.

The Standard Industrial Classification (SIC) Manual defines department stores as establishments normally employing 25 people or more, having combined sales of apparel and soft goods amounting to 20 percent or more of the total sales, and selling each of the following lines of merchandise:

1. Furniture, home furnishings, appliances, radios and TV sets
2. A general line of apparel for the family
3. Household linens and dry goods

To qualify as a department store, sales of each of the above listed lines must be less than 80 percent of the total sales. An establishment with total sales of $10 million or more is classified as a department store even if sales of one of the merchandise lines listed above exceeds the maximum percent of total sales, provided that the combined sales of the other two groups are $1 million or more. Relatively few stores are included in this classification as a result of this special rule and most of those which are would otherwise have been classified in the apparel group.

To an increasing extent, department stores are diversifying their activities, opening specialty store units, off-price outlets, etc., or becoming part of conglomerate operations active in a number of different types of businesses. This has, of course, added to the difficulty of isolating department store volume from consolidated sales data.

Stores are also expanding their operations beyond the trading area of the headquarter store. The sales attributed to headquarter locations may cover activities removed from the specific city or trading area in which they are listed in the Fact File. Separate data on branch store operations is included only where available.

NOTE: This report includes only those stores for which sales data, believed to be reasonably accurate, can be reported. The current sales estimates may differ markedly from estimates reported for previous years. This may be due, however, not to an actual gain or loss in volume of the magnitude indicated, but to differences in the compilation of estimates. Since revisions in earlier estimates may be in order, year-to-year comparisons in sales figures are not recommended.

Audrey S. Balchen, Director
Fairchild Market Research Division

I. SUMMARY OF AVAILABLE SALES FIGURES
DEPARTMENT STORES & LEADING APPAREL SPECIALTY STORES, 1985
BY REGION & CITY (Headquarter Location)

NORTHEAST	APPROX. SALES (Millions of $)
CONNECTICUT	
Bridgeport	
Countdown of Connecticut (20 specialty stores)	$ 13.0
Read's Department Stores (Allied Stores, New York, N.Y.) (6 stores: Conn. 5, N.Y. 1)	107.6
Enfield	
Casual Corner (U.S. Shoe Corp., Cincinnati, Ohio) (624 specialty stores)	515.0
Hartford	
G. Fox & Co. (May Dept. Stores, St. Louis, Mo.) (8 stores: Conn. 6, Mass. 1, R.I. 1)	219.1
(A Danbury, Conn. store is to be opened before the end of 1986)	
Sage-Allen & Co. (13 jr. dept. stores: Conn. 12, Mass. 1)	71.1
Middletown	
Bob's (4 stores)	29.0
New Britain	
Weathervane (63 stores)	40.0
New Haven	
J. Press (3 spec.stores)(Acquired in 1986 by Kashiyama USA, Inc.)	5.0
MAINE	
Damariscotta	
R.H. Remy, Inc. (13 jr. dept. stores in Maine)	10.0
Freeport	
L.L. Bean (Primarily a mail order business, with one store having a sales volume of over $30 million)	172.0
Portland	
Levinsky's (1 specialty store)	10.0
Porteous Mitchell & Braun Co. (6 dept. stores: Me. 4, N.H. 1, Vt. 1, plus 2 Downeast shops)	38.0
MASSACHUSETTS	
Allston	
Alden's, Inc. (25 specialty stores)	20.0
Boston Area	
Filene's (Federated Department Stores, Cincinnati, Oh.) (16 department stores: Mass. 10, N.H. 2, Me. 1, R.I. 1, Conn. 1, N.Y 1)	353.5
Chestnut Hill	55.0
Filene's Basement, Somerville (Federated) (18 stores: Conn. 1, Mass. 10, N.Y. 5, N.J. 1, R.I. 1)	212.8
Flagship, Sommerville, Mass.	80.0
(Ranking 2nd, 3rd, 4th in volume, averaging $10-$15 million; Manhasset (N.Y.), Framingham and Braintree (Mass.)	
(Filene's Basement opened 3 stores in 1986: 2 in Philadelphia, Pa. and 1 in Paramus, N.J.)	
Jordan Marsh (Allied Stores, New York, N.Y.) (18 dept. stores: Conn. 1, Mass. 12, Me. 1, N.H. 2, N.Y. 1, R.I. 1)	546.7
(Jordan Marsh opened its 19th store in Albany, N.Y. in 1986. A Nashua, N.H. store opening is planned.)	

DEPARTMENT/APPAREL SPECIALTY STORE SALES

NORTHEAST	APPROX. SALES (Millions of $)
MASSACHUSETTS (continued)	
Braintree	
Decelle (7 specialty stores)	$ 21.0
Milton's (4 specialty stores)	10.0
Northeast Apparel (60 specialty stores)	100.0
Framingham	
T.J. Maxx (Zayre Corp., Framingham) (191 stores)	840.0
Hingham	
The Talbots (General Mills, Minneapolis, Minn.) (84 stores)	224.0
Hyannis	
Puritan Clothing (8 specialty stores)	15.0
Lynn	
Hoffman's (4 specialty stores)	13.0
Needham Hts.	
Calvert's (2 specialty stores)	23.0
Salem	
Jerry's Dept. Stores, Inc. (Operates Jerry's Dept. Stores and Rich's Dept. Stores -- a total of 16 stores in Me., Mass., N.H.)	140.0
Springfield	
Albert Steiger, Inc. (8 dept. stores: Mass. 7, Conn. 1)	70.0
Topsfield	
Empire Clothing Co. (19 spec. stores in Mass. & Me.)	17.0
Waltham	
Grover Cronin, Inc. (1 jr. dept. store)	12.0
West Bridgewater	
Foxmoor (Dylex Ltd., Toronto, Canada) (607 specialty stores)	210.0
Woburn	
Marshall's (Melville Corp., Harrison, N.Y.) (236 spec. stores)	1,324.0
Worcester	
Chess King (Melville Corp., Harrison, N.Y.) (517 spec. stores)	206.0
NEW JERSEY	
Burlington	
Burlington Coat Factory (74 specialty stores)	343.1
Hackensack	
Joyce Leslie (29 specialty stores)	25.0

DEPARTMENT/APPAREL SPECIALTY STORE SALES

NORTHEAST	APPROX. SALES (Millions of $)
NEW JERSEY (continued)	
Newark	
Bamberger's (name changed to Macy's in 1986) (24 dept. stores: N.J. 14, Pa. 5, N.Y. 1, Dela. 1, Md. 3. Also Furniture Clearance Centers)	1,258.0
Flagship store: Parmus, N.J.	125.0
Newark, N.J.	49.0
Willow Brook, N.J.	70.0
Rockaway, N.J.	60.0
Livingston, N.J.	72.0
King of Prussia, Pa.	60.0
(The 24th store, in Owings Mill, Md., was opened in July 1986. In Feb. 1987, stores will be opened in Marley Station and in Baltimore, Md.; also in 1987 a store in Hamilton Township, N.Y. and in Tyson's Corner, Va. Plans have also been announced for a store in Pentagon City, Washington)	
Hahne & Co. (Associated Dry Goods, New York, N.Y.) (9 dept. stores in N.J.)	130.0
(The downtown Newark store was closed in 1986. Former Gimbels Garden State store, Paramus, will become the new flagship store in the Spring of 1987. Another store will be opened in the Bridgewater Commons in the Spring of 1988.)	
Paramus	
Stern's (Allied Stores, New York, N.Y.) (17 dept. stores: N.Y. 10, N.J. 7)	425.2
(Allied bought nine of the 19 Gimbels-East Division store locations from Batus in August 1986, which had a combined annual volume estimated at $183 million. Eight locations are to be operated as Stern's, including Roosevelt Field in Garden City, N.Y., which had a volume of $30.6 million; Moorestown Shopping Center, Moorestown, N.J.; Echelon Shopping Center, Voorhees, N.J.; Market East and Great Northeast, Philadelphia; King of Prussia Plaza, Pa.; Granite Run, Media, Pa.; Oxford Valley Mall, Langhorne, Pa.)	
Pine Brook	
The Children's Place (Federated Dept. Stores, Cincinnati, Ohio) (158 stores)	159.0
Ridgewood	
Sealfons (Brooks Sealfons, Inc., Summit, N.J.) (6 spec. stores)	20.0
Saddlebrook	
Fashion Barn (111 specialty stores)	50.0
Trenton	
S.P. Dunham & Co. (United Dept. Stores, Newark, N.J.) (4 spec. stores in N.Y. and N.J.)	14.0

DEPARTMENT/APPAREL SPECIALTY STORE SALES

NORTHEAST	APPROX. SALES (Millions of $)
NEW YORK	
Buffalo	
Adam, Meldrum & Anderson (10 dept. stores in N.Y.)	113.0
L.L. Berger, Inc. (7 spec. stores in N.Y.)	17.0
Jenss Dept. Stores (4 dept. stores in N.Y.)	25.0
The Sample, Inc. (10 spec. stores in N.Y.)	25.0
Cohoes	
Cohoes Specialty Stores (5 N.Y. spec. stores)	50.0
Elmira	
S.F. Iszard, Inc. (3 jr. dept. stores in N.Y.)	9.0
Latham	
Interstate Department Stores, Inc. (Toys "R" Us, Rochelle Park, N.J.) (Central buying location for two Boston Stores in New York, two The Fair Stores in Michigan)	40.0
New York City Area	
Abraham & Straus, Brooklyn (Federated Dept. Stores, Cincinnati, Oh.) (15 dept. stores: N.Y. 9, N.J. 4, Pa. 2)	767.5
(The two Pa. stores -- King of Prussia and Willow Grove--have been sold to Strawbridge & Clothier, Philadelphia)	
Alcott & Andrews (6 specialty stores: Conn. 1, D.C. 1, Md. 1, N.J. 1, N.Y. 2)	25.0
Alexander's Dept. Stores, Inc. (14 discount spec. stores: Conn. 1, N.J. 2, N.Y. 11)	520.1
(The Mohegan Lake, N.Y. store was closed in Feb. 1986. The New York City flagship store will be retained and the property redeveloped in 1990 at the earliest).	
B. Altman & Co. (Acquired in 1986 by an international group of investors, led by Anthony R. Conti) (7 dept. stores)	230.0
Flagship store, New York	100.0+
Willow Grove, PA. (closed in January 1986)	9.0
(Altman's Paramus, N.J. store was not included among Altman stores leased to the new owners. The Paramus department store will be expanded to include home furnishings.)	
Ann Taylor (Allied Stores, New York, N.Y.) (73 spec. stores)	148.3
Barney's (1 specialty store)	60.0
(A separate women's specialty store was opened in September 1986. It is expected to reach a volume of $30 million in its first year).	
Henri Bendel (The Limited Inc., Columbus, Ohio) (1 spec. store)	24.0
(Will be moved to larger quarters on Fifth Avenue by end of 1988.)	
Bergdorf Goodman (Carter Hawley Hale, Los Angeles, Calif.) (1 New York City spec. store)	65.0

(New York City Area continued)

NORTHEAST

NEW YORK

New York City Area (continued)

	APPROX. SALES (Millions of $)
Bloomingdale's (Federated Dept. Stores, Cincinnati, Ohio) (14 dept. stores plus a Home Store, Chestnut Hill, Mass.; Conn. 1, Fla. 1, Md. 1, Mass. 1, N.J. 2, N.Y. 4, Pa. 2, Tx. 1, Va. 1)	$ 955.2
(A Boca Raton, Fla., store was opened in Oct. 1986. Bloomingdale's will open its 17th store--its first in the Midwest--in Chicago in the summer of 1988. Bloomingdale's also started the opening of a series of free-standing airport gift shops with two in New York in November 1986, called Bloomies Express.)	
B. Boman & Co. (18 specialty stores)	28.0
Bonwit Teller (Allied Stores, New York, N.Y.) (15 spec. stores: Mass. 1, N.Y. 3, N.J. 1, Pa. 2, Ill. 2, Mich. 1, Mo. 1, Fla. 2, Ca. 2)	152.1
(Bonwit's will close its Beverly Hills, Calif. store in January 1987. This store had a volume of about $10 million in 1985.) Plans are being discussed to sell the Palm Desert store to Bullocks-Wilshire. This Bonwit Teller unit had a volume of about $8.5 million in 1985.	
Brooks Brothers (Allied Stores Corp., New York, N.Y. (50 stores)	231.1
(Plans to open a store in 1987 in the Gallery at Harbor Point, Baltimore)	
Brooks Fashion Stores (Dylex Ltd., Toronto, Canada) (781 stores)	436.0
Gimbels-East (Batus Inc., New York, N.Y.) (20 stores: N.Y. 8, Conn. 1, N.J. 2, Pa. 8)	472.3
New York flagship (34th St.) (Closed in Sept. 1986)	99.1
86th St., New York City (Closed in Sept. 1986)	47.7
Roosevelt Field	40.6
Cross County Shopping Center, Valley Stream	32.9
Philadelphia flagship	33.1
Cheltenham Square, Cheltenham, Pa.	13.8
Furniture Clearance Center, Paramus, N.J.	1.5
(Nine Gimbels-East store locations were sold by Batus to Allied Stores in August 1986--out of a total of 19. Sales of the stores sold had a combined volume estimated at $183 million. Eight locations are to be operated by Allied as Stern's which is headquartered in Paramus, N.J. Included are the following locations: Roosevelt Field, Garden City, N.Y.; Market East and Great Northeast, Philadelphia, Pa.; King of Prussia Plaza, King of Prussia, Pa.; Oxford Valley Mall, Langhorne, Pa.; Granite Run, Media, Pa.; Echelon Shopping Center, Voorhees, N.J.; Moorestown Shopping Center, Moorestown, N.J. The ninth store, in Lancaster, Pa., will be operated as a Pomeroy's unit. Closing of the Cross County Shopping Center store, Yonkers, N.Y., was postponed.)	
Loehmann's (Associated Dry Goods, New York, N.Y.) (93 off-price specialty stores)	322.0
Lord & Taylor (Associated Dry Goods, New York, N.Y.) (44 stores: Conn. 2, D.C. 1, Fla. 8, Ga. 1, Ill. 7, Md. 1, Mass. 3, Mich. 4, N.J. 2, N.Y. 5, Pa. 2, Tex. 7, Va. 2)	760.0
(A store in Boca Raton, Fla., was opened in October 1986. It is expected to have a volume of from $15 to $18 million in its first year. An eighth Texas store, at River Center, San Antonio, will be opened in the Fall of 1988.)	

(New York City Area continued)

DEPARTMENT/APPAREL SPECIALTY STORE SALES

NORTHEAST

NEW YORK

New York City Area (continued)

	APPROX. SALES (Millions of $)
Macy's New York (R.H. Macy, New York, N.Y.)(22 dept. stores: N.Y. 14, Conn. 2, Fla. 1, Tex. 5, plus furniture clearance centers)	$ 1,335.7
New York area stores (including Conn.)	1,040.0
Herald Square flagship	359.0+
(A fourth Houston store, in the Houston Galleria, was opened in September 1986. It's first-year volume is projected to reach $60 million, as is the volume of the Dallas Galleria which was opened in October 1986)	
Mays (J.W. Mays Inc., Brooklyn, N.Y.) (4 dept. stores in N.Y.)	81.4
Ohrbach's (Amcena Corp., New York, N.Y.) (12 spec. stores: Ca. 6, N.J. 3, N.Y. 3)	200.0
(Five of the six N.Y./N.J. stores will be closed on Feb. 1, 1987, and will be reopened in March as part of the Howland-Steinbach chain which was acquired by Amcena from Supermarkets General. The 34th St., New York City store is to be closed permanently.)	
J.C. Penney Co., Inc.	13,747.0
Phillips-Van Heusen Corp. (52 spec. stores)	113.3
Saks Fifth Avenue (Batus, Inc., New York, N.Y.) (41 specialty stores: Ariz. 1, Calif. 9, Conn. 1, Fla. 5, Ga. 1, Ill. 3, Kans. 1, La. 1, Md. 1, Mass. 1, Mich. 3, Mo. 2, Nev. 1, N.J. 2, N.Y. 4, Oh. 3, Pa. 2, Tex. 3)	928.0
Flagship store, New York	190.0
(Store openings by Saks Fifth Avenue in 1986; Carmel, Calif.-- a replacement store for the Monterey unit -- opened in May; Owings Mill, Md., opened in August; Tulsa, Okla., in Sept.; Boca Raton, Fla., October. Plans for the Florida unit anticipate a volume of $15 million in its first year.)	
Syms, New York, N.Y. (15 promotional specialty stores)	215.0

(Manhattan Express a new chain of men's and young men's specialty stores will be lauched by a group of investors. They expect to have 19 N.Y.-area stores in operation within two years. The first five stores, to be opened by June 1987, are expected to have combined volume of $20 to $25 million in the first full year of operation.)

Patchogue

Swezey & Newings, Inc. (3 N.Y. dept. stores)	22.0

Rochester

B. Forman & Co. (McCurdy & Co., Rochester) (14 N.Y. spec. stores)	90.0
McCurdy & Co. (7 N.Y. dept. stores)	60.0
Sibley, Lindsay & Curr (Associated Dry Goods, New York, N.Y.) (14 N.Y. dept. stores)	180.0

Schenectady

The Carl Co. (7 N.Y. dept. stores)	30.0

Syracuse

The Addis Co. (4 N.Y. spec. stores)	9.0
Chappell's Dept. Store (7 N.Y. spec. stores)	33.0
Dey's (Allied Stores Corp., New York, N.Y.) (4 N.Y. spec. stores)	38.4

DEPARTMENT/APPAREL SPECIALTY STORE SALES

NORTHEAST	APPROX. SALES (Millions of $)
NEW YORK	
Westbury	
Masters, Inc. (159 specialty stores)	$ 116.0
White Plains	
Howland-Steinbach (Supermarkets General, Woodbridge, N.J.) (28 stores in New York and New England)	162.6
(In June 1986, 23 of the 28 stores were acquired by Amcena which will combine them in an operation with 5 former Ohrbach's acquired by Amcena from Supermarkets General.)	
PENNSYLVANIA	
Allentown	
Hess's Department Stores, Inc. (Crown American Corp., Johnstown, Pa.) (39 stores: Md. 1, N.Y. 6, Pa. 26, Va. 5, W. Va. 1)	330.7
(A Pembroke Mall, Virginia Beach store and a store in Franklin Mall, Washington, Pa. were opened in 1986. Hess's has set a target for 50 units with a total volume of $500 million by 1990. In 1987, two stores will be opened in Richmond, Va., and two in the Hampton Roads, Va. This will make 8 stores in the Hampton Roads area with an anticipated total of more than $100 million.)	
Bensalem	
Charming Shoppes Inc. (550 women's specialty stores in 26 states)	391.6
Harrisburg	
Pomeroy's Inc. (Allied Stores, New York, N.Y.) (Seven central and western Pa. dept. stores, not including eight stores operated out of the Levittown, Pa. headquarter store.)	65.0
Huntingdon Valley	
Artie's Inc. (17 specialty stores)	12.0
Johnstown	
Glosser Bros. Department Store Div. (1 dept. store)	11.0
Lancaster	
Watt & Shand (2 Pa. dept. stores)	31.0
Levittown	
Pomeroy's Inc. (Allied Stores, New York, N.Y.) (8 dept. stores: Del. 1, N.J. 1, Pa. 6)	90.0
(A former Gimbels-East store located in Lancaster and acquired by Allied in June 1986 is to be operated as a Pomeroy's unit)	
Philadelphia	
Deb Shops Inc. (190 women's specialty stores in Eastern states)	147.1
Gimbels (Gimbels-East, New York, N.Y.) (9 dept. stores)	300.0
Philadelphia flagship	33.1
Cheltenham Square, Cheltenham, Pa.	13.8
(All stores were closed in 1986)	

(Philadelphia continued)

DEPARTMENT/APPAREL SPECIALTY STORE SALES

NORTHEAST	APPROX. SALES (Millions of $)
PENNSYLVANIA	
Philadelphia (continued)	
Strawbridge & Clothier (12 department stores)	$ 379.9
(Acquired two Abraham & Straus stores in 1986" King of Prussia and Willow Grove, Pa., Strawbridge & Clothier operates 20 discount variety stores, Clover Stores, with a 1986 volume of $307 million. A Clover store was opened in Penrose Plaza, Philadelphia in the Fall, 1986.)	
John Wanamaker (Carter Hawley Hale, Los Angeles, Ca.) (16 stores incl. The Globe (Cleland-Simpson), Scranton; other stores: Del. 1, N.J. 2, N.Y. 1, Pa. 11)	450.8
Philadelphia flagship	98.8
Northeast Philadelphia	30.9
Yonkers, N.Y. (Cross County Shopping Center)	27.0+
Harrisburg	27.0
Moorestown, N.J.	25.2
Reading, Pa.	17.6
The Globe Store	27.0
(In November 1986, Carter Hawley Hale sold Wanamakers to Woodward & Lothrop, Washington, D.C.)	
Pittsburgh	
Gimbels-Pittsburgh (Batus Inc., New York, N.Y.) (7 Pa. dept. stores, of which it owned 4) (All stores are to be liquidated by Batus)	130.6
Mellon Square, downtown Pittsburgh (may be sold to May Dept. Stores)	34.5
Monroeville (sold in 1986 to May Dept. Stores Co.)	23.7
Eastland (to be closed in 1987)	7.9
Beaver Valley (sold to May Dept. Stores in 1986)	8.7
South Hills Mall, Mt. Lebanon (sold to May Dept. Stores in 1986)	24.1
North Hills (to be moved to Ross Park Mall by the developer)	19.0
Century III (to be subleased to Consolidated Stores International Corp. and operated as a Gimbels unit)	12.6
(The three Gimbels stores purchased by May Dept. Stores Co. in 1986 are to be operated as branches of Kaufmann's)	
Joseph Horne Co. (Associated Dry Goods, New York, N.Y.) (15 dept. stores: Oh. 3, Pa. 12)	209.0
Mellon Square, downtown Pittsburgh	44.0
(An agreement was signed by May Dept. Stores Co.--owners of ADG--to sell Joseph Horne Co. to a group of Pittsburgh investors in November 1986. A Century Mall, Pittsburgh, store was opened November 1986.)	
Kaufmann's (May Department Stores Co., St. Louis, Mo.) (18 dept. stores: Oh. 7, Pa. 10, W.Va. 1)	
Total--including Strouss	423.9
Mellon Square	90.0
(In 1986, the Strouss Co. of Youngstown, Ohio, was merged with Kaufmann's, and the 4 stores operated as Kaufmann's. See notations above regarding the three Gimbels-Pittsburgh stores acquired in 1986 from Batus. A store opening in Ross Park Mall, Pittsburgh, is scheduled for Fall 1986.)	

DEPARTMENT/APPAREL SPECIALTY STORE SALES

NORTHEAST	APPROX. SALES (Millions of $)
PENNSYLVANIA	
Quakerstown	
Apparel Affiliates (89 specialty stores)	$ 43.0
Reading	
Boscov's Dept. Stores, Inc. (11 dept. stores: Del. 1, N.Y. 1, Pa. 9)	250.0
Boscov's East, Reading (enlarged in 1985)	25.0
Wilkes Barre	35.0
(A store in Harrisburg, Pa., was opened in Fall 1986)	
York	
S. Grumbacher & Sons, Inc. (Bon Ton Dept. Store Div.) (24 jr. dept. stores in Ind., Md., Ohio, Pa., W. Va., operated under various names)	75.0
VERMONT	
Burlington	
Magrams (3 specialty stores)	12.0
MIDWEST	
ILLINOIS	
Bridgeview	
Paddor's (8 specialty stores)	14.0
Burr Ridge	
Al Baskin (8 specialty stores)	43.0
Chicago Area	
Carson Pirie Scott & Co. (Retail Group: department and specialty stores.) The County Seat stores (301 units) had a sales volume of $290 million in 1985)	
Department stores (20 stores: Ill. 17, Ind. 3)	400.4
State Street	100.0+
Yorktown, Lombard, Ill.	30.0+
Randhurst, Mt. Prospect, Ill.	30.0+

(Carson Pirie Scott will open its second Corporate Level specialty store in Washington, D.C. in Feb. 1987. It is expected to have a volume of $5 million in its first year. The Corporate Level store in the basement of the Chicago main store has an annual volume of $6 million. In addition, Metropolis, a mall-like cluster of shops on the second floor of the State Street flagship is expected to generate a volume of $25 million by the end of 1986.) Total sales of Chicago area stores were estimated at $420 million in 1985.)

Crawford Dept. Stores (3 gen. mdse. stores in Ill.)	15.0
Goldblatt Bros., Inc. (9 Chicago area dept. stores)	34.0
K-mart Corp. (62 stores in Chicago area.)	525.0

(Chicago area continued)

DEPARTMENT/APPAREL SPECIALTY STORE SALES

MIDWEST	APPROX. SALES (Millions of $)
ILLINOIS	
Chicago area (continued)	
Lord & Taylor (Lord & Taylor, New York, N.Y.) (7 Chicago area stores)	125.0
North Michigan Avenue	37.0
I. Magnin (I. Magnin, San Francisco, Calif.)	
North Michigan Avenue	24.5
Northbrook	13.2
Oakbrook	11.5
Main Street (Federated Department Stores, Cincinnati, Oh.) (9 stores)	50.3
(2 stores were opened in the Chicago area in 1986; 4 Detroit area stores are to be opened.)	
Marshall Field (Batus Inc., New York, N.Y.) (21 dept. stores: Ill. 17, Tex. 3, Wis. 1)	790.0
Chicago area total (17 stores)	700.0
State Street	175.0
Water Tower Place, North Michigan Avenue	66.0
Old Orchard, Skokie, Ill.	85.0+
Oakbrook, Ill.	65.0+
Woodfield, Ill.	55.0+
(A store in San Antonio will be opened in Nov. 1986)	
Montgomery Ward (17 stores)	260.0
(In 1986 the flagship store was closed. 11 stores are to be remodeled as specialty stores)	
Neiman-Marcus (Neiman-Marcus, Dallas, Tex.)	
Michigan Avenue store	50.0
Oakbrook and Northbrook combined volume	50.0
J.C. Penney (17 full-line stores, 2 soft-line stores)	400.0
(A new store in Calumet City, Ill. was opened in 1985)	
Saks Fifth Avenue (Saks Fifth Avenue, New York, N.Y.)	
Michigan Avenue store	31.0
Oakbrook	14.0
Old Orchard	17.5
Sears Roebuck (16 full-line department stores, 4 small hard-line stores)	450.0
(Corporate total of all U.S. merchandising operations: $21,549.0 million.)	
Stanley Korshak (2 specialty stores)	17.0
(A Dallas store opened in March 1986 is expected to attain a volume of $9.8 million in its first year.)	
Charles A. Stevens (26 spec. stores)	65.0
Wieboldt Stores, Inc. (WSI Acquisition Corp.) (12 dept. stores)	160.1
Zayre's (37 stores)	400.0

(Chicago's shopping area on North Michigan Avenue is undergoing an expansion with the construction of two vertical shopping malls, renovations, and enlargements by major stores. Saks Fifth Avenue is planning to move to larger quarters in the new Chicago Place vertical shopping/residential complex. Bloomingdale's will open its first Midwest store in the 900 Michigan Ave. complex.)

DEPARTMENT/APPAREL SPECIALTY STORE SALES

MIDWEST	APPROX. SALES (Millions of $)
ILLINOIS	
Elgin	
Joseph C. Spiess Co. (3 dept. stores)	21.0
Peoria	
P.A. Bergner & Co. (headquarters moved in 1985. See Milwaukee)	-
Szold's, Inc. (4 stores)	12.0
River Forest	
Madigan's (5 specialty stores)	35.0
Tinley Park	
Gately's People's Store (1 jr. dept. store)	12.0
INDIANA	
Hammond	
Rosalee Stores (8 specialty stores)	$ 14.0
Indianapolis	
L.S. Ayres & Co. (Associated Dry Goods Corp., New York, N.Y.) (25 dept. stores in Ind., Ky., Ohio) (ADG merged its seven-store Stewart Dry Goods Division into Ayres in Jan. 1986)	430.0
Block's (Allied Stores, New York, N.Y.) (11 dept. stores in Indiana)	90.6
Paul Harris Stores (243 specialty stores)	125.9
New Albany	
Gaytime Fashions (3 stores)	13.0
South Bend	
Deitch-Corson (3 gen. mdse. stores in Ind.)	13.0
IOWA	
Cedar Rapids	
Armstrong's (2 Ia. dept. stores)	20.0
Davenport	
Petersen-Harned-Von Maur, Inc. (10 dept. stores: Ill. 1, Ia. 9)	50.0+
Des Moines	
Younkers, Inc. (Equitable of Iowa Companies, Des Moines, Ia.) (26 dept. stores: Ill. 1, Ia. 21, Mn. 1, Neb. 2, S.D. 1) (Younkers has announced plans to buy 11 J.L. Brandeis & Sons (Omaha) department stores.)	181.0
KANSAS	
Kansas City (See MISSOURI)	
Washington	
Seiferts (130 stores)	60.0
Wichita	
Henry's (2 Kans. spec. stores)	13.0

DEPARTMENT/APPAREL SPECIALTY STORE SALES

MIDWEST	APPROX. SALES (Millions of $)
MICHIGAN	
Detroit	
Crowley, Milner & Co. (Oakland Holding Co.) (10 spec. stores in southeast Mich.)	104.1
(A Fashion Distribution Center in downtown Detroit was opened in 1985. In Aug. 1986 Crowley Milner opened a store in Courtland Center, Flint, Mich. which is expected to generate $10 million in volume in its first full year. Also in Aug. 1986, Crowley, Milner moved its downtown flagship from New Center to the new New Center One Complex in Detroit, and this is expected to do $8.4 million in its first year. A Westland, Mich. store was to be opened in Oct. 1986.)	
(Main Street (Federated Dept. Stores) opened 3 Detroit-area specialty stores in Nov. 1986. Mervyn's--based in Hayward, Calif. -- will open its first Midwest stores, in the Detroit area in 1987, and has plans for 30 stores)	
Grand Rapids	
Beverly's Inc. (18 specialty stores)	10.0
Gantos (43 stores)	60.0
Herpolsheimer's (6 Mich. dept. stores) (Allied Stores Corp., New York)	22.8
Paul Steketee & Sons (6 Mich. gen. mdse. stores)	26.0
Jackson	
Jacobson's Stores Inc. (20 dept. stores: Fla. 9, Mich. 10, Ohio 1) (Will open a store in Livonia, Mich. in 1987)	275.0
Kalamazoo	
Gilmore Brothers, Inc. (4 gen. mdse. stores in Mich.)	10.0
Redwood & Ross (20 stores)	15.0
Saginaw	
W.C. Wiechmann Co. (3 Mich. gen. mdse. stores)	10.0
MINNESOTA	
Duluth	
Duluth Glass Block Stores Co. (Mercantile Stores, New York, N.Y.) (1 dept. store)	20.0
Eden Prairie	
Braun's (98 specialty stores)	41.0
Mankato	
Bretts Dept. Stores (5 Minn. jr. dept. stores)	11.0

DEPARTMENT/APPAREL SPECIALTY STORE SALES

MIDWEST	APPROX. SALES (Millions of $)
MINNESOTA	
Minneapolis	
Dayton Hudson (37 stores in Mich., Minn., N.D., S.D., Wis.)	$ 1,447.9
Donaldson's (Allied Stores, New York, N.Y.) (15 stores: Ia. 2, Minn. 13)	156.8
Lancer Stores (37 specialty stores)	16.0
St. Cloud	
G.R. Herberger's (28 dept. stores: Minn. 10, Mont. 3, Neb. 4, N.D. 4, S.D. 2, Wis. 3, Wyo. 1)	78.0
MISSOURI	
Joplin	
Newman's (6 spec. stores: Kans. 2, Mo. 2, Okla. 2)	22.0
Kansas City	
Jack Henry Clothing (Hart, Schaffner, Marx) (5 spec. stores in Missouri)	14.5
The Jones Store (Mercantile Stores, New York, N.Y.) (7 dept. stores)	195.0
(Purchased two units from Dillard in 1986 which will be operated as Jones Stores)	
Macy's (Macy's Atlanta) (13 stores: Kans. 6, Mo. 6, Oh. 1.)	not available
(In 1986, 12 Macy dept. stores located in Kansas City, Wichita and Topeka, Kansas, were bought by Dillard. The downtown Kansas City store was closed, but will be reopened as part of the AT&T Town Pavilion. Dillard, in turn, sold 2 stores--Overland Park, Kans. and Independence, Mo.--to Mercantile Stores to become Jones Stores.)	
Woolf Brothers (8 specialty stores)	33.0
St. Louis	
Dillard Dept. Stores, St. Louis Div. (11 stores: Ill. 1, Ka. 1, Mo. 9)	not available
Edison Apparel (Edison Bros. Stores, St. Louis, Mo.) (1,302 stores)	281.0
Famous-Barr (May Dept. Stores Co., St. Louis, Mo.) (17 dept. stores: Mo. 14, Ill. 3)	460.5
Flagship store, St. Louis, Mo.	60.0
(Northwest Plaza store was reopened after extensive remodeling in October 1987)	
Gateway Apparel (125 specialty stores)	200.0
Worth Stores (130 specialty stores)	40.0

DEPARTMENT/APPAREL SPECIALTY STORE SALES

	APPROX. SALES (Millions of $)
MIDWEST	
MISSOURI	
Springfield	
Heer's (Allied Stores Corp., New York, N.Y.) (2 Mich. dept. stores)	8.3
NEBRASKA	
Kearney	
Brass Buckle (30 specialty stores)	16.0
Omaha	
J.L. Brandeis & Sons (11 dept. stores: Ia. 2, Neb. 9)	96.0
(J.L. Brandeis are to be sold to Younkers, Des Moines, Ia.)	
Richman-Gordman Stores, Inc. (12 gen. mdse. stores: Ia. 4, Kans. 2, Nev. 6)	197.0
NORTH DAKOTA	
Fargo	
de Lendrecie's, West Acres Shopping Center (Part of Hennessey's, Billings, Mont. owned by Mercantile Stores Co., New York, N.Y.) (1 gen. mdse. store)	15.0
Vanity Shops (37 stores)	12.0
OHIO	
Akron	
M. O'Neil Co. (May Department Stores, St. Louis, Mo.) (10 Ohio dept. stores)	175.4
Ashtabula	
Carlisle's (9 dept. stores: Oh. 5, Pa. 4)	41.0
Bowling Green	
Fred W. Uhlman & Co. (16 spec. stores: Ind. 1, Ohio 15)	32.0
Cincinnati	
Giddings Jenny (B. Miller Inc.) (5 specialty stores: Ind. 1, Oh. 4)	25.0
(An agreement has been reached to sell its assets to Union Co., an affiliate of Schottenstein Stores, Columbus, Ohio, to be operated as Giddings-Union.)	
McAlpin Co. (Mercantile Stores, New York, N.Y.) (9 stores in Ohio and Ky.)	325.0
(Shillito Rikes (Federated Department Stores, Cincinnati, Oh.) with a 1985 volume of about $400 million, was absorbed by F.& R. Lazarus, Columbus, Ohio in Jan. 1986, forming a new 31-store division.)	
Cleveland	
The Higbee Co. (11 dept. stores in Ohio plus a budget store and a home store)	280.8
The May Co., Cleveland (May Department Stores, St. Louis, Mo.) (10 dept. stores in Oh.)	238.6

DEPARTMENT/APPAREL SPECIALTY STORE SALES

MIDWEST

	APPROX. SALES (Millions of $)
OHIO	
Columbus	
Lazarus (Federated Deptartment Stores, Cincinnati, Oh.) Absorbed Shillito Rikes, Cincinnati stores in Jan. 1986, forming a new division with 31 stores. Combined volume:	$ 856.2
(Plans to open a new store in Newark, Ohio)	
Madison's Inc. (14 spec. stores)	21.0
Dayton	
Elder-Beerman (25 dept. stores in Ohio & Indiana)	220.9
Toledo	
Lion Dry Goods (Mercantile Stores Co., New York N.Y.) (3 stores)	110.4
Youngstown	
Strouss (May Department Stores, St. Louis, Mo.) (7 dept. stores)	95.0
(The Salem, Ohio, store was closed in Nov. 1985. In June 1986, May merged Strouss with Kaufmann's, Pittsburgh, Pa. The combined 1985 volume was estimated at $423.9 million.)	
WISCONSIN	
Brookfield	
T.A. Chapman (7 gen. mdse. stores in Wis.)	13.0
Kohl's Department Stores (Batus Inc., New York, N.Y.) (39 dept. stores: Ill. 6, Ind. 8, Wis. 25)	300.0
(Sold by Batus in 1986 in a leveraged buyout by a management group.)	
Green Bay	
Prange's (H.C. Prange Co., Sheboygan, Wis.) (20 dept. stores)	140.0
(Green Bay is the buying headquarters location)	
Milwaukee	
P.A. Bergner (33 stores: Ill. 23, Wis. 10)	410.0
(In 1986 Bergner reached an agreement to buy three Gimbels-Midwest units in Wisconsin from Batus, including the Southgate Mall and Mayfair Mall in Milwaukee and the East Towne Mall unit in Madison. All three will be renovated and operated under the name of the Boston Store, the Milwaukee-based department store company that Bergner purchased from Federated in 1985.)	
Boston Store (P.A. Bergner, Milwaukee, Wis.) Downtown Milwaukee	29.0
Gimbels-Midwest (Batus Inc., New York, N.Y.) (8 stores in Wis.)	195.4
(Batus sold three stores to P.A. Bergner in 1986, as noted above. Marshall Field's acquired four Gimbels-Midwest stores, which have been closed for remodeling and are to be reopened in late 1986 as Marshall Field's. Packard Plaza store was closed in August 1986.)	
1985 volume of specified Gimbels-Midwest stores:	
Downtown	36.2
Southridge	29.4
Northridge	24.5
Hillsdale	22.0
Mayfair Mall (to be opened as Gimbels until 1987, then became a Bergner's)	34.5
Marshall Field, Mayfair Mall (1 store)	27.0

DEPARTMENT/APPAREL SPECIALTY STORE SALES

	APPROX. SALES (Millions of $)
SOUTH	
ALABAMA	
Anniston	
Wakefield's (5 specialty stores)	$ 17.0
Birmingham	
Parisian Inc. (14 spec. stores: Ala. 13, Ga. 1))	186.0
(A store in Chattanooga, Tenn. and one in Pensacola, Fla. will be opened in 1987. Plans are also underway for a store to open in Sarasota, Fla. Intends to close its Home Store Departments by early 1987 and allocate the space to apparel departments)	
Pizitz, Inc. (12 department stores in Ala., 1 in S.C.)	100.0
(A Riverside Galleria store was opened Feb. 1986; the Five Point West, S.C. store was closed Jan. 1986. Pizitz will acquire McRae's, Jackson, Miss.)	
Yeildings (5 specialty stores)	13.0
Mobile	
C.J. Gayfer & Co., Springdale Plaza (Mercantile Stores, New York, N.Y.) (12 dept. stores: Ala. 3, Fla. 6, Miss. 3)	315.0
(A Dothan, Ala., store opening is planned.)	
Montgomery	
Gayfers/Montgomery Fair (Mercantile Stores, New York, N.Y.) (6 dept. stores: Ala. 4, Ga. 2)	150.0
James Stores (8 spec. stores)	6.0
ARKANSAS	
El Dorado	
J.A. West Co. (11 jr. dept. stores in Ark., La., Mo., Okla., Tex.)	13.0
Fort Smith	
Hunt Dry Goods Co. (7 gen. mdse. stores: Ark. 6, Tex. 1)	11.0
Little Rock	
M. M. Cohn (10 specialty stores in Ark., Okla., Tenn.)	50.0
Dillard Dept. Stores Inc.: The Little Rock Division had 19 stores: Ark. 7, La. 5, Tenn. 4, Tex. 3	not available
DISTRICT OF COLUMBIA (Also see listings in Virginia and Maryland)	
Garfinckel's (Allied Stores, New York, N.Y.) (10 spec. stores: D.C. 2, Md. 3, Va. 5)	112.4
Flagship store, Washington, D.C.	35.0
Hecht's (May Department Stores, St. Louis, Mo.) (23 dept. stores: D.C. 1, Md. 16, Va. 6)	567.8
(Sales in the Metro Center store, opened November 4, 1985, were reported to be running at an annual rate of $60 million. A store in Owings Mill Town Center, Md. was opened August 1986 and in Glen Burnie, Md. in October. A store is to be built in the Wheaton Plaza Shopping Center, Montgomery County, Md. Two Baltimore area stores are to be closed: Reistertown and Northwood).	

(Distict of Columbia continued)

DEPARTMENT/APPAREL SPECIALTY STORE SALES

	APPROX. SALES (Millions of $)
SOUTH	
DISTRICT OF COLUMBIA (continued)	
Raleighs (12 specialty stores)	$ 75.0
(A new flagship store in Washington is under construction.)	
Woodward & Lothrop (Taubman Holdings, Detroit, Mich.) (17 dept. stores: D.C. 1, Md. 10, Va. 4, plus a Clearance Store)	470.4
(The downtown store was reopened in Oct. 1986 after renovation. It is expected to generate a volume of $80 million in its first year. A store will be opened in Wheaton Plaza Shopping Center, Montgomery County, Md. In November 1986 the sale of John Wanamakers, Philadelphia--which had a volume of $450.8 million--to Woodward & Lothrop was announced by Carter Hawley Hale.)	
(Nordstrom has announced plans to open a store in Tyson's Corner, Va. -- its first East Coast store, followed by a store opening in McLean, Va.)	
FLORIDA	
Bradenton	
Beall's Dept. Stores, Inc. (28 spec. stores in Fla.)	84.0
Jacksonville	
May-Cohen's (May Department Stores, St. Louis, Mo.) (6 Fla. dept. stores)	73.5
The Vogue Shops, Inc. (141 specialty stores in the South)	75.0
Miami-Palm Beach-Fort Lauderdale Area	
Bloomingdale's (Bloomingdale's, New York, N.Y.) The Falls Mall, South of Miami	55.0
(Boca Raton Town Center store opened Oct. 1986)	
Burdine's (Federated Dept. Stores, Cincinnati, Ohio) (29 dept. stores in Fla.)	757.5
(A Palm Beach store will be opened in 1988)	
JByron's Department Stores (Amcena, New York, N.Y.) (49 dept. stores in Fla.)	200.0+
Jordan Marsh-Florida (Allied Stores, New York, N.Y.) (16 dept. stores in Fla.)	262.9
(A Boynton Beach, Fla. store will be opened by Jordan Marsh.)	
(In addition to Bloomingdales, other New York stores in the Miami area include Saks Fifth Avenue, Lord & Taylor and Macys.)	
Tampa-St. Petersburg	
Maas Brothers, Inc. (Allied Stores, New York, N.Y.) (21 stores in Fla.)	339.3
(Leng's of Savannah was merged into Maas Bros. in 1986)	
Robinson's of Florida (Associated Dry Goods, New York, N.Y.) (9 dept. stores in Fla.)	115.0
(A store in Orlando, Fla. was opened in Aug. 1986)	

DEPARTMENT/APPAREL SPECIALTY STORE SALES

SOUTH	APPROX. SALES (Millions of $)
FLORIDA	
Winter Park	
Ivey's-Florida (Batus Inc., New York, N.Y.) (11 dept. stores in Fla.) (A Gainesville, Fla. store opening is planned.)	$ 110.0
GEORGIA	
Americus	
Tog Shop (5 specialty stores)	30.0
Atlanta	
Macy's-Atlanta (26 stores: Ala. 1, Ga. 13, Kans. 6, S.C. 1, Kans. 5) (A home store was opened in Atlanta in Oct. 1986, as well as a store in New Orleans which is expected to reach a volume of $40 million in its first year. Macy's also opened a store in Birmingham, Ala. in 1986.)	612.1
H. Kessler & Co. (6 Ga. stores plus a wholesaling operation)	15.0
Rich's (Federated Dept. Stores, Cincinnati, Ohio) (17 dept. stores: Ala. 2, Ga. 13, S.C. 2, plus Outlet Home Store, Atlanta) (Three stores were opened in 1986: Riverchase Galleria; Birmingham, Town Center, Cobb County, Ga. and Atlanta. Rich's discount operation -- 31 Richway stores--was merged into 45-store Gold Circle, Columbus, Ohio in Jan. 1986. Combined 1985 volume was reported at $1.1 billion)	647.0
Augusta	
J.B. White & Co. (Mercantile Stores, New York, N.Y.) (7 stores: Ga. 3, S.C. 4)	130.0
LaGrange	
Mansour's, Inc. (1 jr. dept. store)	11.0
Marietta	
Banker's Note (34 specialty stores)	21.0
Savannah	
Levy's of Savannah, Inc. (Allied Stores, New York, N.Y.) (2 spec. stores) (Levy's was merged into Maas Bros., Tampa, Fla. in 1986)	17.0

DEPARTMENT/APPAREL SPECIALTY STORE SALES

SOUTH	APPROX. SALES (Millions of $)
KENTUCKY	
Lexington	
Dawahare's (20 specialty stores)	$ 27.0
Embry & Co. (5 spec. stores)	10.0
McAlpin Co. (Mercantile Stores Co., New York, N.Y.) (2 jr. dept. stores)	20.0
Louisville	
Bacon's Roots (Mercantile Stores, New York, N.Y.) (7 dept. stores: Ind. 2, Ky. 5)	150.0
Behr Stores (34 spec. stores in Ala., Ariz., Ga., Ky. N.C., S.C., Tenn.)	20.0
Fashion Shop (7 specialty stores)	18.0
LOUISIANA	
Alexandria	
Wellan's (3 gen. mdse. stores in La.)	13.0
(Acquired Palais Royal, Shreveport, in Dec. 1985; which is operated as a separate organization.)	
Baton Rouge	
Goudchaux/Maison Blanche, Inc. (7 dept. stores in La.)	216.5
Harahan	
Wiener Enterprises (104 specialty stores)	55.4
Lafayette	
Abdalla's Lafayette Inc. (5 spec. stores)	19.0
Minden	
West & Co. of La., (21 gen. mdse. stores in Ala., Ark., La., Miss., Tex. plus seven discount centers)	35.0
New Orleans	
D.H. Holmes Co. (18 dept. stores: Ala. 1, La. 14, Miss. 2, Fla. 1)	272.8
(Plans to open a store in Alexandria, La. in 1986)	
Krauss Co., Ltd. (1 dept. store)	19.0
Kreeger's (4 stores)	14.0

(Macy's Atlanta opened its first stores in New Orleans in Oct. 1986. It is expected to do $40 million in sales in its first year. A second New Orleans store will be opened in two years)

Shreveport	
Beall-Ladyman (56 specialty stores in Ala., Ark., La., Miss.)	110.0
Palais Royal (8 specialty stores)	11.0

DEPARTMENT/APPAREL SPECIALTY STORE SALES

SOUTH	APPROX. SALES (Millions of $)
MARYLAND	
Baltimore	
L. Epstein & Sons (10 jr. dept. stores in Md.)	$ 32.0
Hutzler's (10 dept. stores in Md., including two in Baltimore)	107.0
(Hutzler also owns Sara Fredericks, a women's specialty retailer with sportswear shops and designer salons in Fla. and the East Coast. The total volume of this chain was about $15 million when it was acquired in 1984. The Inner Harbor, Baltimore store closed Dec. 1986. It had a volume of about $3.4 million)	
Princess Shops (25 specialty stores)	20.0
(Sales figures are not available for Hochschild, Kohn (Supermarkets General) stores headquartered in Baltimore. These stores were not included in sales of stores by Supermarkets General to Amcena in 1986.)	
Salisbury	
Hess Apparel (7 specialty stores)	11.0
Townson	
Merry-Go-Round (334 specialty stores)	164.1
MISSISSIPPI	
Jackson	
McRae's, Inc. (15 dept. stores: Fla. 1, Miss. 12, La. 1, Ala.1)	199.8
(McRae's is to be sold to Piziztz, Birmingham, Ala.)	
NORTH CAROLINA	
Charlotte	
The Cato Corp. (425 specialty stores)	116.6
Ivey's-Carolinas (Batus Inc., New York, N.Y.) (13 dept. stores: N.C. 12, S.C. 1)	140.0
(Batus will consolidate Ivey's-Carolinas and Ivey's-Florida in the Spring of 1987. A Durham, N.C. store opening is planned.)	
OKLAHOMA	
Oklahoma City	
C.R. Anthony (272 general mdse. stores)	427.0
Balleet's (3 specialty stores)	10.0
(John A.Brown Co.'s department stores were acquired by Dillard Department Stores Central Division, Fort Worth in Jan. 1985) Dillard now operates two former John A. Brown stores -- in Oklahoma City and in Tulsa. Sanger Harris opened two former John A. Brown stores in Oklahoma in March 1986 and expects each to reach a volume of $25 million in its first year.)	19.0
Tulsa	
Renberg's (4 specialty stores)	24.0
(Hampton's, Kensington Galleria (formerly a Sakowitz store) opened Nov. 1985. A volume of $8 million is expected in its first year.)	

DEPARTMENT/APPAREL SPECIALTY STORE SALES

SOUTH	APPROX. SALES (Millions of $)
SOUTH CAROLINA	
Charleston	
Kerrison's Dept. Stores (3 S.C. dept. stores)	$ 11.0
Columbia	
James L. Tapp Co. (4 S.C. spec. stores)	12.0
Greenville	
Meyers-Arnold Co. (9 dept. stores: Ga. 2, N.C. 2, S.C. 5)	26.0
Myrtle Beach	
Chapin Co. (1 gen. mdse. store)	12.0
Spartanburg	
Belk-Hudson (Belk Stores Services, Inc., Charlotte, N.C.) (4 jr. dept. stores in S.C.)	17.0
TENNESSEE	
Alcoa	
Proffitt's Dept. Stores (5 dept. stores in Tenn.)	43.0
Athens	
Goody's Family Clothing (45 stores)	48.0
Chattanooga	
Loveman's (5 Tenn. dept. stores)	30.0
The Leader (5 specialty stores)	15.0
Knoxville	
Millers (Allied Stores, New York, N.Y.) (13 dept. stores: Ga. 1, Tenn. 11, Va. 1)	99.7
Ira A. Watson Co. (19 stores: Ala. 1, Ky. 9, Tenn. 4, Va. 2, W.Va. 3)	48.0
Memphis	
Casual Corner of Memphis (19 stores)	11.0
Goldsmith's (Federated Department Stores, Cincinnati, Ohio) (6 dept. stores in Tenn.)	169.1
Nashville	
Cain-Sloan (Allied Stores Corp., New York, N.Y.) (4 dept. stores in Tenn.)	62.0
The Castner Knott Dry Goods Co. (Mercantile Stores, New York, N.Y.) (11 dept. stores: Ala. 3, Ky. 1, Tenn. 7)	200.0
The Harvey Co. (8 jr. dept. stores: Ky. 1, Tenn. 7)	27.0

DEPARTMENT/APPAREL SPECIALTY STORE SALES

SOUTH

TEXAS

	APPROX. SALES (Millions of $)
Abilene	
Thornton's Dept. Stores, Inc. (Idaho Dept. Stores, Boise, Id.) (4 jr. dept. stores)	$ 10.0
Austin	
Scarbrough's (3 dept. stores in Tex.)	23.0
Beaumont	
The Fair (23 spec. stores in Tex. and La.)	51.0
White House Co. (Boston Stores Dry Goods, Fort Smith, Ark.) (6 gen. mdse. stores: Ark. 2, La. 1, Tex. 3. Also operates Gus Mayer store in Beaumont.)	45.0
Dallas	
Colbert's (10 spec. stores)	15.0
Joske's (Allied Stores) (27 dept. stores)	392.2
(Three regional Joske's headquarters were consolidated in Dallas in 1985)	
Michael's stores (32 spec. stores plus 11 franchise operations)	46.4
Neiman-Marcus (Carter Hawley Hale, Los Angeles, Calif.) (22 spec. stores: Calif. 5, D.C. 1, Fla. 2, Ga. 1, Ill. 3, Mass. 1, Mo. 1, Nev. 1, N.Y. 1, Tex. 6)	820.0
Sanger-Harris (Federated Department Stores, Cincinnati, Oh.) (16 dept. stores in Tex. and Okla., 2 former Levy's specialty stores in Tucson.)	450.7
(Sanger-Harris opened 2 locations in Oklahoma City in 1986 which were former John A. Brown stores. It will open a third store there in 1988. The Valley View and Tyler, Tex. stores were renovated in 1985.)	
(Macy's New York opened a store in the Dallas Galleria in October 1985. It is expected to reach a volume of $60 million in its first year.)	
Fort Worth	
Dillard Dept. Stores, Fort Worth Div. (Dillard Dept. Stores, Little Rock, Ark.) (35 stores: Kans. 3, Mo. 4, Okla. 13, Tex. 15)	not available
Monnig's (17 dept. and specialty stores in Texas)	45.0
Pace, Newsom & Moates (37 general mdse. stores in Tex.)	39.0
Houston	
Craig Stores (21 spec. stores. Also 5 Buelow Stores)	50.0
Foley's (Federated Dept. Stores, Cincinnati, Oh.) (17 dept. stores in Tex.)	680.3
Houston area (12 stores):	
Sharpstown	80.0
Memorial City	70.0
(A Corpus Christi store will be opened in March 1987.)	

(Houston continued)

DEPARTMENT/APPAREL SPECIALTY STORE SALES

SOUTH	APPROX. SALES (Millions of $)
TEXAS	
Houston (continued)	
Frost Bros. (Frost Bros., San Antonio, Tex.)	
3 Houston area stores (River Oaks, Galleria and Memorial City)	$ 31.0
Joske's (Joske's, Dallas, Tex.)	
11 Houston area stores	170.0
Galleria	36.0
Lord & Taylor (Lord & Taylor, New York, N.Y.)	
4 Houston area stores	60.0
Galleria	23.0
Macy's (R.H. Macy Co., New York, N.Y.) (3 stores including Baybrook Mall store which was opened July 1985)	70.0
Deerbrook and Willowbrook stores. Combined volume:	100.0+
(A Galleria store will be opened in 1986.)	
Marshall Field (Marshall Field, Chicago, Ill.)	
Town & Country	13.0
Galleria	34.0
Mervyn's (Mervyn's, Hayward, Calif.) (9 Houston area stores)	158.0
Montgomery Ward (Montgomery Ward, Chicago, Ill.)	
9 Houston area stores	170.0
(3 stores were closed in 1986.)	
Neiman-Marcus (Neiman Marcus, Dallas, Tex.) (2 stores)	85.0
Galleria	65.0
Town & Country	20.0
Palais Royal (27 specialty stores)	110.0
J.C. Penney (J.C. Penney, New York, N.Y.) (8 stores)	136.0
Sakowitz (17 stores plus boutiques)	120.0
(Sakowitz filed for Chapter 11 protection from creditors in August 1985. Stores in Dallas, Amarillo, Midland and Scottsdale, as well as Houston, were closed or sold, reducing the store count from 17 units to four in Houston plus two boutiques. 1986 volume is estimated at $30 million.)	
Saks Fifth Avenue (Saks Fifth Avenue, New York, N.Y.)	
West Oaks Mall	14.0
Saks Center of Fashion	26.0
Sears, Roebuck (Sears, Roebuck, Chicago, Ill.) (9 stores)	295.0
San Antonio	
Dillard's (Division of Dillard Department Stores, Little Rock, Ark.) (22 stores: N.M. 3, Tex. 19)	not available
Frost Brothers (Manhattan Industries, New York, N.Y.) (13 spec. stores: Tex. 12, Mass. 1 Gucci store) (Sold in 1986 to the Wyly Collection, New York, N.Y.)	121.0
LaFeria Dept. Store (6 jr. dept. stores in Tex.)	17.0

(Saks Fifth Ave. opened a store in the North Star Mall, San Antonio, in November 1985. A Marshall Field store will be opened in San Antonio in October 1986 which is expected to reach a volume of $20 million in its first full year.)

Wichita Falls	
McClurkan's Dept. Store (2 gen. mdse. stores in Tex.)	10.0

DEPARTMENT/APPAREL SPECIALTY STORE SALES

	APPROX. SALES (Millions of $)
SOUTH	
VIRGINIA	
Arlington	
Morton's (6 spec. stores: D.C. 3, Md. 3)	$ 10.0
Martinsville	
Globman's, Inc. (9 jr. dept. stores: N.C. & Va.)	10.0
Newport News	
Virginia Specialty Stores (95 stores)	30.0
Norfolk	
Hess's (Hess's Department Stores, Allentown, Pa.) (5 stores aquired from Rices Nachmans in 1985)	22.0
Smith & Welton (9 jr. dept. stores)	16.1
Richmond	
Miller & Rhoads (Allied Stores Corp., New York, N.Y.) (21 dept. stores: N.C. 5, Va. 16)	139.1
Thalhimer Bros., Inc. (Carter Hawley Hale Stores, Los Angeles, Calif.) (25 dept. stores: N.C. 9, S.C. 1, Tenn. 1, Va. 14)	335.0
Sandston	
Sternheimer Brothers (37 specialty stores)	18.0
Lawrenceville	
W.S. Peebles & Co. (40 stores in Del., Md., N.C., S.C., Va.)	81.6
WEST VIRGINIA	
Wheeling	
Stone & Thomas, Inc. (18 dept. stores in West Va. and Ohio)	100.0+
WEST	
ARIZONA	
Douglas	
Phelps Dodge Mercantile Co. (6 gen. mdse. stores in Ariz.)	49.0
Flagstaff	
Babbitt Bros. Trading Co. (9 gen. mdse. stores in Ariz.)	13.0
Mesa/Tempe/Scottsdale/Phoenix	
Broadway-Southwest, Mesa (Carter Hawley Hale, Los Angeles, Calif.) (13 dept. stores: Ariz. 7, Colo. 3, Nev. 2, N.M. 1) (3rd Denver-area store opened at Westminister Mall in Oct. 1986.)	195.0
Dillard's Phoenix, Div. (Dillard Dept. Stores, Little Rock, Ark.) (13 dept. stores: Ariz. 10, Nev. 3)	not available
Goldwater's, Scottsdale, Ariz. (9 dept. stores: Ariz. 7, Nev. 1, N.M. 1)	135.0
Switzers, Phoenix (15 specialty stores)	10.0

DEPARTMENT/APPAREL SPECIALTY STORE SALES

WEST

CALIFORNIA

	APPROX. SALES (Millions of $)
Anaheim	
The Clothestime (235 men's/women's specialty stores) primarily in western U.S.	$ 126.9
Bakersfield	
Brock's Dept. Store (2 dept. stores)	17.0
Carson	
The Boston Stores, Inc. (19 spec. stores in Ariz. and Calif.)	32.0
Fresno	
E. Gottschalk & Co. (9 dept. stores in Calif. incl. The Fair. Also operates Bobbie West and Village East specialty Shops)	113.0
Hollywood	
Frederick's of Hollywood (14 spec. stores in 33 states)	45.5
Lafayette	
McCaulos (9 jr. dept. stores)	22.0
Los Angeles/Long Beach Area	
Benos (50 specialty stores in Calif.)	34.0
Bonwit Teller (Bonwit Teller, New York, N.Y.)	
Beverly Hills (To be closed in Jan. 1987)	10.0
Palm Desert (To be sold to Bullocks Wilshire)	8.5
Broadway-Southern California (Carter Hawley Hale, Los Angeles Calif.) (43 dept. stores in Calif.)	996.0
(Escondido Plaza store opened in Feb. 1986. A store in the South Coast Plaza, Costa Mesa, which is the new flagship store, was opened October 1986. A volume of $40 million is expected the first year.)	
Buffum's Inc., Long Beach (David Jones California, Inc.) (15 jr. dept. stores, 4 spec. stores)	109.0
Bullock's Southern California (Federated Dept. Stores, Cincinnati, Oh.) (21 dept. stores: Ariz. 1, Calif. 19, Nev. 1, and 6 Bullock's Wilshire spec. stores in Calif.)	
Total, all stores:	712.3
Department store total:	625.0
(Bullock's is remodeling over 15 units in 1986-1987. A store in Seventh Market Place, Citicorp, L.A. was opened in August 1986. It is expected to generate sales of $18 million in its first year.)	
May Co. California, North Hollywood (May Dept. Stores Co., St. Louis, Mo.) (35 Calif. dept. stores)	784.2
(A replacement store was opened May 1986 in Seventh Market Place, Citicorp, L.A. It is expected to reach a volume of $21 million in its first year.)	
Nordstrom (Nordstrom, Inc. Seattle, Wash.) (11 Southern Calif. spec. stores)	470.0
Estimated sales of specified L.A. area stores, 1985:	
South Coast Plaza, Orange County	70.0
Glendale Galleria, Glendale	48.0
Topanga Plaza, Los Angeles County	38.0
J.W. Robinson (Associated Dry Goods, N.Y., N.Y.) (23 Cal. stores)	580.0
(Opened its 24th store, in South Coast Plaza, Costa Mesa, Oct. 1986. It is expected to reach an annual rate of $40 million in its 1st year.)	
Saks Fifth Avenue (Saks Fifth Avenue, New York, N.Y.) (6 Calif. spec. stores)	100.0+

DEPARTMENT/APPAREL SPECIALTY STORE SALES

WEST

	APPROX. SALES (Millions of $)
CALIFORNIA	
Sacramento	
Weinstock's (Carter Hawley Hale Stores, Inc., Los Angeles, Calif.) (12 dept. stores: Calif. 8, Nev. 1, Utah 3)	$ 230.0
Salinas	
Dick Bruhn (16 specialty stores)	17.0
San Bernadino	
Harris (Corte Ingles Elsa) (5 gen. mdse. stores in Calif.)	50.0+
San Diego	
Nordstrom's (Nordstrom, Inc., Seattle, Wash.) Fashion Valley store	55.0
Walker Scott Co. (Desmond's & Associates, Los Angeles, Calif.) (8 gen. mdse. stores in Calif.)	42.0
(Six of the eight stores are to be closed by February 1987; remaining stores are in Palm Springs and Escondido.)	
San Francisco/Oakland/Palo Alto	
Emporium Capwell (Carter Hawley Hale, Los Angeles, Calif.) (22 dept. stores in Ca.)	690.0
San Jose (5 stores)	138.0
Stanford Shopping Center	46.0
Valley Fair	66.0
Grodin's (Cro America) (36 specialty stores)	40.0
(To be closed in 1987.)	
Macy's California (R.H. Macy, New York, N.Y.) (25 dept. stores in Calif.)	1,162.6
San Jose (5 stores)	225.0
Union Square, San Francisco (expect volume to reach $200 mil. in 1986)	174.0
I. Magnin (Federated Dept. Stores, Cincinnati, Oh.) (26 spec. stores: Ariz. 1, Calif. 19, Ill. 3, Md. 1, Ore. 1, Wash. 1)	319.0
Mervyn's, Hayward (148 apparel specialty stores)	2,527.0
Nordstrom (Nordstrom Inc., Seattle, Wash.)	
Walnut Creek	37.0
(It is reported that Nordstrom plans to build its largest store in San Francisco Center, Calif.)	
Wilkes Bashford, San Francisco (1 specialty store)	12.0
(Will open a new flagship store in 1986. Expect first year volume to reach $12 million. Four Wilkes Sport Stores will be opened in 1986-87.)	
Santa Monica	
H.C. Henshey Co. (2 gen. mdse. stores in Calif.)	10.0

DEPARTMENT/APPAREL SPECIALTY STORE SALES

WEST	APPROX. SALES (Millions of $)
CALIFORNIA	
Stanford	
Nordstrom's (Nordstrom Inc., Seattle, Wash.) Stanford Shopping Center	$ 46.0
Van Nuys	
Judy's (90 specialty stores including 23 men's wear stores)	56.7
Watsonville	
Charles Ford Co. (6 dept. stores and 5 spec. stores in Calif.)	28.0
Whittier	
Henshaw's Dept. Stores, Inc. (2 dept. stores in Ca.)	28.0
COLORADO	
Aurora	
Fashion Bar (77 specialty stores)	110.0
Denver	
Denver Dry Goods Co. (The Denver) (Associated Dry Goods, New York, N.Y.) (12 dept. stores in Colo.)	154.0
Joslin's, Englewood (Mercantile Stores, New York, N.Y.) (10 dept. stores: Colo. 9, Wyo. 1)	200.0+
May D & F (May Dept. Stores, Denver Colo.)(11 Colo. dept. stores)	171.9
(The University Hills, Southwest Plaza and Citadel stores each have a volume of from $15 to $22 million. The downtown store was closed, and a new store at Westminister Mall was opened in October 1986.)	
HAWAII	
Honolulu	
Liberty House (Amfac, San Francisco, Calif.) (48 stores in the retail division, including 39 specialty stores and 9 dept. stores)	228.6
Department store total	150.0
IDAHO	
Pocatello	
Block's (11 stores in Idaho and Utah) (To be closed in 1986)	11.0
MONTANA	
Billings	
Hennessey's (including Glass Block, Duluth, and de Lendrecies, Fargo, N.D.) (Mercantile Stores, New York, N.Y.)	65.0

DEPARTMENT/APPAREL SPECIALTY STORE SALES

WEST	APPROX. SALES (Millions of $)
OREGON	
Eugene	
Emporium Inc. (13 gen. mdse. stores: Ore. 12, Wash. 1)	$ 60.0
Portland	
Meier & Frank (May Dept. Stores Co., St. Louis, Mo.) (7 dept. stores: Ore. 6, Wash. 1)	212.2
(A Medford, Ore. store is to be opened in the fall of 1986.)	
UTAH	
Salt Lake City	
ZCMI Department Store (Zion's Co-Operative Mercantile Institution) (10 dept. stores: Id. 2, Ut. 8)	164.8
(A Sandy, Utah store was opened in Aug. 1986)	
WASHINGTON	
Seattle	
The Bon (Allied Stores, New York, N.Y.) (39 stores: Id. 7, Mont. 3, Ore. 6, Utah 3, Wash. 19)	486.0
Frederick & Nelson (sold by Batus Inc. to Frederick & Nelson Acquisition Corp. in Sept. 1986). (15 dept. stores: Ore. 7, Wash. 8)	225.9
Washington total	183.3
Downtown Seattle	66.3
Bellevue Square	38.0
Oregon Total	42.6
Downtown Portland (to be replaced)	8.5
Washinton Square	15.6
(Two Frederick & Nelson stores -- in Portland and in Salem, Ore. -- were closed in Oct. 1986)	
Lamonts (Pay'n Save Corp., Seattle) (27 specialty stores)	136.0
Nordstrom Inc. (44 specialty stores in Calif., Wash.)	1,301.9
Downtown Seattle	65.0
Bellevue Square, Wash.	55.0
Northgate, Wash.	38.0
South Center, Wash.	37.0
(Also see California listings. In 1986, Nordstrom opened stores in Costa Mesa, Montclair and Escondido, Calif., and in Tyson's Corner, Va.)	
Spokane	
The Crescent (Batus Inc., New York, N.Y.) (3 stores in Wash.)	45.4
Downtown Spokane	25.2
Northtown	10.5
University City	9.8
(Batus has announced plans to sell The Crescent)	

II. DEPARTMENT STORE VOLUME LEADERS

Following is a listing of leading traditional department stores, showing the most recent buying or divisional headquarter location and the best available information on sales for the year 1985 (or closest fiscal period) attributed to each headquarter operation. The volume figures cover sales of all stores (confined to department stores where possible) operated by the listed store. Not included in this compilation are department store operations that were discontinued in 1985-1986 (such as Gimbels). Also not included are national chains (such as Sears), promotional chains, and discount houses (see section on MAJOR CONGOMERATES & CHAINS).

STORES WITH TOTAL SALES OF $100 MILLION OR MORE

	SALES VOLUME (Millions of $)
Dillard Department Stores, Little Rock, Ark. (101 stores operated through five divisions: Little Rock, St. Louis, San Antonio, Fort Worth, Phoenix--individual figures are not available)	$ 1,601.4
Dayton Hudson Department Stores, Minneapolis, Minn. (Dayton Hudson Corp.) (37 stores)	1,447.9
Macy's New York, New York, N.Y. (22 stores)	1,335.7
Macy's New Jersey (formerly Bamberger's), Newark, N.J. (24 stores)	1,258.0
Macy's California, San Francisco, Ca. (25 stores)	1,162.6
Broadway-Southern California, Los Angeles, Ca. (Carter Hawley Hale) (43 stores)	996.0
Bloomingdale's, New York, N.Y. (Federated) (14 stores)	955.2
Lazarus, Columbus, Oh. (Federated) (31 stores)	856.2
Marshall Field, Chicago, Ill. (Batus) (21 stores)	790.0
May Co., California, Los Angeles, Ca. (May Department Stores) (35 stores)	784.2
Abraham & Straus, Brooklyn, N.Y. (Federated) (15 stores)	767.5
Lord & Taylor, New York, N.Y. (Associated Dry Goods) (44 stores)	760.0
Burdine's, Miami, Fla. (Federated) (29 stores)	757.5
Emporium Capwell, San Francisco, Ca. (Carter Hawley Hale) (22 stores)	690.0
Foley's, Houston, Tex. (Federated) (17 stores)	680.3
Rich's, Atlanta, Ga. (Federated) (17 stores)	647.0
Bullock's, Los Angeles, Ca. (Federated) (21 department stores; does not include Bullock's Wilshire spec. stores)	625.0

DEPARTMENT STORE VOLUME LEADERS

STORES WITH TOTAL SALES OF $100 MILLION OR MORE (continued)

	SALES VOLUME (Millions of $)
Macy's Atlanta, Atlanta, Ga. (26 stores)	$ 612.1
J.W. Robinson Co., Los Angeles, Ca. (Associated Dry Goods) (23 stores)	580.0
Hecht's, Washington, D.C. (May Department Stores) (23 stores)	567.8
Jordan Marsh-New England, Boston, Mass. (Allied) (18 stores)	546.7
The Bon, Seattle, Wash. (Allied) (39 stores)	486.0
Woodward & Lothrop, Washington, D.C. (17 stores)	470.4
Famous Barr, St. Louis, Mo. (May Department Stores) (17 stores)	460.5
John Wanamaker, Philadelphia, Pa. (Woodward & Lothrop) (16 stores)	450.8
Sanger Harris, Dallas, Tex. (Federated) (16 stores)	450.7
L.S. Ayres, Indianapolis, Ind. (Associated Dry Goods) (25 stores)	430.0
Stern's, Paramus, N.J. (Allied) (17 stores)	425.2
Kaufmann's, Pittsburgh, Pa. (May Department Stores) (18 stores)	423.9
P.A. Bergner, Milwaukee, Wis. (33 stores)	410.0
Carson Pirie Scott & Co., Chicago, Ill. (Department store division - 20 stores)	400.4
Joske's, Dallas, Tex. (Allied) (27 stores)	392.2
Strawbridge & Clothier, Philadelphia, Pa. (Allied) (12 stores)	379.9
Filene's, Boston, Mass. (Federated) (16 stores, not including separate Basement Division)	353.5
Maas Bros., Tampa, Fla. (Allied) (21 stores)	339.3
Thalhimer's, Richmond, Va. (Carter Hawley Hale) (25 stores)	335.0
Hess's, Allentown, Pa. (Crown American Corp.) (39 stores)	330.7

DEPARTMENT STORE VOLUME LEADERS

STORES WITH TOTAL SALES OF $100 MILLION OR MORE (continued)

	SALES VOLUME (Millions of $)
McAlpin's, Cincinnati, Oh. (Mercantile) (9 stores)	$ 325.0
C.J. Gayfer, Mobile, Ala. (Mercantile) (12 stores)	315.0
Kohl's, Brookfield, Wis. (39 stores)	300.0
Higbee's, Cleveland, Oh. (11 stores)	280.8
Jacobson Stores, Jackson, Mich. (20 stores)	275.0
D.H. Holmes, New Orleans, La. (18 stores)	272.8
Jordan Marsh-Florida, Miami, Fla. (Allied) (16 stores)	262.9
Boscov's, Reading, Pa. (11 stores)	250.0
The May Co., Cleveland, Oh. (May Department Stores) (10 stores)	238.6
B. Altman, New York, N.Y. (7 stores)	230.0
Weinstock's, Sacramento, Ca. (Carter Hawley Hale) (12 stores)	230.0
Frederick & Nelson, Seattle, Wash. (15 stores)	225.9
Elder-Beerman, Dayton, Oh. (Department Store Division - 25 stores)	220.9
G.Fox, Hartford, Conn. (May Department Stores) (8 stores)	219.1
Goudchaux/Maison Blanche, Baton Rouge, La. (7 stores)	216.5
Meier & Frank, Portland, Ore. (May Department Stores) (7 stores)	212.2
Joseph Horne, Pittsburgh, Pa. (15 stores)	209.0
JByron's, Miami, Fla. (Amcena Corp.) (49 stores)	200.0+
Joslin's, Englewood, Co. (Mercantile) (10 stores)	200.0+
Castner Knott, Nashville, Tenn. (Mercantile) (11 stores)	200.0
McRae's, Jackson, Miss. (15 stores)	199.8
Richman-Gordman Stores, Omaha, Neb. (12 stores)	197.0
Broadway-Southwest, Mesa, Ariz. (Carter Hawley Hale) (13 stores)	195.0
The Jones Store Co., Kansas City, Mo. (Mercantile) (7 stores)	195.0

DEPARTMENT STORE VOLUME LEADERS

STORES WITH TOTAL SALES OF $100 MILLION OR MORE (continued)

	SALES VOLUME (Millions of $)
Younkers, Des Moines, Ia. (Equitable of Iowa) (26 stores)	$ 181.0
Sibley's, Rochester, N.Y. (Associated Dry Goods) (14 stores)	180.0
The M. O'Neil Co., Akron, Oh. (May Department Stores) (10 stores)	175.4
May D & F, Denver, Co. (May Department Stores) (11 stores)	171.9
Goldsmith's, Memphis, Tenn (Federated) (6 stores)	169.1
ZCMI (Zion's Co-operative Mercantile Institution), Salt Lake City, Ut. (10 stores)	164.8
Wieboldt Stores, Chicago, Ill. (12 stores)	160.1
Donaldson's, Minneapolis, Minn. (Allied) (15 stores)	156.8
Denver Dry Goods, Denver, Co. (Associated Dry Goods) (12 stores)	154.0
Gayfer's/Montgomery Fair, Montgomery, Ala. (Mercantile) (6 stores)	150.0
J. Bacon, Louisville, Ky. (Mercantile) (7 stores)	150.0
Liberty House Hawaii, Honolulu, Hi. (Amfac) (9 stores)	150.0
Ivey's-Carolinas, Charlotte, N.C. (Batus) (13 stores)	140.0
Jerry's Department Stores, Salem, Mass. (16 stores)	140.0
Prange's, Green Bay, Wis. (20 stores)	140.0
Miller & Rhoads, Richmond, Va. (Allied) (21 stores)	139.1
Goldwater's, Scottsdale, Ariz. (Associated Dry Goods) (9 stores)	135.0
Hahne & Co., Newark, N.J. (Associated Dry Goods) (9 stores)	130.0
J.B. White, Augusta, Ga. (Mercantile) (7 stores)	130.0
Robinson's of Florida, St. Petersburg, Fla. (Associated Dry Goods) (9 stores)	115.0
Adam, Meldrum & Anderson, Buffalo, N.Y. (10 stores)	113.0
E. Gottschalk, Fresno, Ca. (9 stores)	113.0
Ivey's-Florida, Winter Park, Fla. (Batus) (11 stores)	110.0

DEPARTMENT STORE VOLUME LEADERS

STORES WITH TOTAL SALES OF $100 MILLION OR MORE (continued)

	SALES VOLUME (Millions of $)
The Lion Dry Goods Co., Toledo, Oh. (Mercantile) (3 stores)	$ 110.0
Read's, Bridgeport, Conn. (Allied) (6 stores)	107.6
Buffum's, Long Beach, Ca. (15 stores)	109.0
Hutzler's, Baltimore, Md. (10 stores)	107.0
Crowley's, Detroit, Mich. (10 stores)	104.1
Stone & Thomas, Wheeling, West Va. (18 stores)	100.0+
J. L. Brandeis, Omaha, Neb. (10 stores)	100.0
Pizitz, Birmingham, Ala. (12 stores)	100.0

DEPARTMENT STORE VOLUME LEADERS

STORES WITH SALES OF $50 MILLION TO $99 MILLION

	SALES VOLUME (Millions of $)
Millers, Knoxville, Tenn. (Allied) (13 stores)	$ 99.7
Strouss, Youngstown, Oh. (May Department Stores) (7 stores)	95.0
Block's, Indianapolis, Ind. (Allied) (11 stores)	90.6
Pomeroy's, Levittown, Pa. (Allied) (8 stores)	90.0
W.S. Peebles, Lawrenceville, Va. (40 stores)	81.6
Mays, Brooklyn, N.Y. (4 stores)	81.4
Herberger's, St. Cloud, Minn. (28 stores)	78.0
S. Grumbacher, York, Pa. (24 stores)	75.0
May-Cohens, Jacksonville, Fla. (6 stores)	73.5
Sage-Allen, Hartford, Conn. (13 stores)	71.1
Albert Steiger, Springfield, Mass. (8 stores)	70.0
Hennessey's, Billings, Mont. (Mercantile) (5 stores)	65.0
Pomeroy's, Harrisburg, Pa. (Allied) (7 stores)	65.0
Cain-Sloan, Nashville, Tenn. (Allied) (4 stores)	62.0
McCurdy, Rochester, N.Y. (7 stores)	60.0
Harris, San Bernardino, Ca. (5 stores)	50.0+
Petersen-Harned-Von Maur, Davenport, Ia. (10 stores)	50.0+

III. APPAREL/GENERAL MERCHANDISE STORE CONGLOMERATES & CHAINS: TOTAL SALES OF PARENT COMPANIES

The following companies have major positions in general merchandise/apparel retailing--including the operation of department stores (traditional and discount), apparel specialty stores and catalog operations. The component divisions, etc., operate under different names. Where available, sales of these component operations are included in the preceding section, covering headquarter operations of department and specialty stores listed by city.

In addition, many of the major operators are engaged in nonrelated activities, including the operation of supermarkets or of specialized hard goods outlets, manufacturing, wholesaling or diverse activities such as the operation of auto repair shops. Unless otherwise specified the sales volumes reported below are total net sales covering all operations, and are for the latest fiscal period or calendar year 1985. Where available, sales figures are included for operations not separately listed in the foregoing section (City Listings) which are owned by the major multi-store groups.

Retail Chain	SALES (Millions of $)
Allied Stores Corp., New York, N.Y. (Acquired by the Campeau Corp. in November 1986). In additon to department store operations listed in the first section of this report, Allied operates specialty stores: Brooks Brothers: estimated volume $231 million; Ann Taylor: $148 million.	$4,135.0
Amcena Corp., New York, N.Y.	620.0
Ames Department Stores, Inc., Rocky Hill, Conn. (Including G.C. Murphy which was acquired in 1985)	1,512.7
Amfac, Inc., San Francisco, Calif. (Including Liberty House of Hawaii, with a volume of $228.6 million and Village Fashion off-price stores, $31.8 million.)	2,405.4
Associated Dry Goods Corp., New York, N.Y. (Acquired by May Dept. Stores Co. in October 1986). Includes 109 Caldor stores and 93 Loehmann's with a combined volume of $1.7 billion and 248 department stores with a combined volume of $2.7 billion).	4,385.0
Banks, Joseph A., Clothiers (Quaker Oats, Chicago, Ill.), Baltimore Md. (32 stores plus mfg. operations. To be sold to a group of investors.)	110.0
Batus Inc., New York, N.Y. Retail Divisions: In July 1986, Batus put up for sale 93 of its 268 stores. Stores to be retained include Saks Fifth Avenue, Marshall Field's, and Ivey's-Carolinas)	2,175.0
L.L. Bean, Freeport, Me.	304.0
Belk Stores, Charlotte, N.C. (352 department stores)	1,500.0
Benetton, New York, N.Y. (400 affiliated but operator-owned specialty stores)	320.0
Bradlees, Braintree, Mass. (Division of The Stop & Shop Companies) (158 discount dept. stores. In 1985, 18 Jefferson Ward stores were acquired, of which 16 were changed to Bradlees).	1,620.1
Brooks Fashion Stores, New York, N.Y. (787 stores) (Dylex Ltd., Toronto, Canada)	525.0
Brown Group, Inc., St. Louis, Mo. Specialty Stores: (includes Meis Dept. Stores, 10 Family Fashion Stores in the Midwest)	325.8
Carson Pirie Scott & Co., Chicago, Ill. (Retail group volume: $705.8 million; department store volume: $400.4 million)	1,301.9

APPAREL/GENERAL MERCHANDISE STORE CONGLOMERATES & CHAINS: TOTAL SALES OF PARENT COMPANIES
(continued)

Retail Chain	SALES (Millions of $)
Carter Hawley Hale Stores, Inc., Los Angeles, Ca. (Department store division sales: $2.9 billion; specialty store sales: $1.1 billion, including 162 Contempo Casuals with sales of $100-$110 million)	$3,977.9
(Has agreed to sell its John Wanamaker 16-store operation to Woodward & Lothrop, Wash. D.C.) (Announced restructuring plan in December 1986 that will split the present company into two publicly traded companies--one will operate its department stores and the other its specialty stores.)	
Danners, Inc., Indianapolis, Ind. (35 3D discount dept. stores)	171.3
Dayton Hudson Corp., Minneapolis, Minn. (Includes sales of 148 Mervyn's, $2.5 billion; 226 Target Stores, $3.9 billion; the dept. store division's 37 stores, $1.4 billion)	8,793.4
Dillard Department Stores, Inc., Little Rock, Ark. (101 stores operated through five divisions: Little Rock, Ark.: 19 stores; St. Louis, Mo. 11; San Antonio, Tex.: 23; Fort Worth, Tex.: 35; Phoenix, Ariz.: 13. In 1986 Dillard completed the purchase of 12 Kans. and Mo. department stores from R.H. Macy & Co. (Macy's Atlanta). (Two stores (Overland Park, Kan., Independence, Mo.) were sold by Dillard to Mercantile Stores to be operated as units of The Jones Store Co., Kansas City; the remainder have been converted to Dillard's stores.)	1,601.4
Dollar General Corp., Scottsville, Ky. (1,278 stores in 23 states)	584.4
Dress Barn, Inc., Stamford, Conn. (208 stores)	135.8
The Dunlap Co., Fort Worth, Tex. (Also operates Striplings & Co., Fort Worth)	110.0
Edison Bros. Stores, Inc., St. Louis, Mo. (Apparel specialty store division sales: $280.6 million)	808.3
Elder-Beerman Stores Corp., Dayton, Oh. (25 department stores in Ohio and Indiana plus apparel specialty stores. Two department stores were added in 1986)	352.2
Evans, Inc., Chicago, Ill. (25 fur shops and leased departments in 13 major department stores.)	147.6
Family Dollar Stores, Inc., Charlotte, N.C. (920 discount stores)	410.1
Federated Department Stores, Inc., Cincinnati, Oh. (Department store division sales in 217 stores: $6.7 billion. Specialty store operations include The Children's Place, 158 stores: volume $158.7 million; Filene's Basement, 17 stores: $212.8 million; Mass Merchandisers: Gold Circle, 76 stores: $1.1 billion.)	8,164.4
Gap Stores, Inc., San Bruno, Ca. (613 Gap Stores and 35 Banana Republics)	647.3
General Mills Inc., Minneapolis, Minn. (Including 39 Eddie Bauer stores in the U.S. and Canada, with sales totaling $172 million; The Talbots, 84 stores, $224 million in sales.) Specialty Retailing Group sales total:	474.3
Glosser Brothers, Inc., Johnstown, Pa. (Includes Gee Bee discount stores as well as grocery stores)	280.0
W.R. Grace & Co., New York, N.Y. (Includes Herman's World of Sporting Goods, 131 stores with sales amounting to $420 million and Berman's Leather Apparel stores, with sales of $155 million and others) Specialty store total:	673.0
In 1986, Herman's was sold to The Dee Corp., a British food retailing group.)	

APPAREL/GENERAL MERCHANDISE STORE CONGLOMERATES & CHAINS: TOTAL SALES OF PARENT COMPANIES
(continued)

Retail Chain	SALES (Millions of $)
Hartmarx Corp., Chicago, Ill. (253 Hartmarx specialty stores, 127 Kuppenheimer stores, 69 Country Miss stores, 18 Jaymar/ Sansabelt Shops. Also Wallachs stores with an estimated volume of $90 million and other specialty stores. Retail Store Total: $	634.0
Heck's, Inc., Nitro, W.Va. (131 discount department stores in Mid-Atlantic and Mid-West States, 35 Maloney's Stores) (Acquired by Toussie-Viner, a N.Y. investment group in Oct. 1986.)	523.3
Interco, Inc. St. Louis, Mo. General Retailing Merchandising Group:	461.8
Jamesway Corp., Secaucus, N.J. (91 stores in N.Y., N.J. and Pa.)	523.1
K mart Corp., Troy, Mich. (Plans to divest Designer Depot, its 79 unit off-price apparel chain by Feb. 1987) (Operates a total of 2,332 general merchandise and 1,516 specialty retail stores)	22,420.0
Kline Bros. Co., New York, N.Y. (24 Kline Bros. Dept. Stores, and Katz Department stores)	69.0
The Limited Stores, Inc., Columbus, Oh. (Operates 2,570 stores)	2,387.1
R.H. Macy & Co., Inc., New York, N.Y. (Taken over by a management group, Macy Acquiring Corp., in June 1986)	4,368.4
Manhattan Industries, Inc., New York, N.Y. Specialty Store sales:	170.2
May Department Stores, St. Louis, Mo. (Department store division sales: $3,327.1 million. Acquired Associated Dry Goods Corp., New York, N.Y. in October 1986)	5,027.6
McCrory Stores Corp., New York, N.Y. (Rapid American Corp., New York, N.Y.) (720 stores. Acquired T.G.& Y. Stores, Oklahoma City, Okla. in Jan. 1986 from an investment group.)	984.0
Melville Corp., Harrison, N.Y. (Including Marshall's, $1.3 billion in sales; Chess King: $206.0 million) (Sold Foxmore to BR Investors in 1986) Apparel specialty store total:	1,614.0
Mercantile Stores Co., Wilmington, Del. (80 stores in 13 store groups)	1,880.0
Montgomery Ward, Chicago, Ill. (Mobil Corp.) (Catalog operations have been discontinued. Jefferson Ward discount chain closed as well as 20 Montgomery Ward stores. Most of the remaining stores are to be converted to specialty stores)	6,073.0
S.E. Nichols, Inc., New York, N.Y. (44 discount dept. stores in Mid-Atlantic states)	284.8
Oshman's Sporting Goods, Inc., Houston, Tex. (Including 25 Abercrombie & Fitch stores)	312.3
Petrie Stores Corp., Secaucus, N.J. (Including Winkelman's, Miller-Wohl chain as well as interest in Paul Harris Stores and Toys "R" Us. Bought 32 stores in Puerto Rico from The Limited in 1986)	1,160.8
H.C. Prange Co., Sheboygan, Wis. (Including Prangeway Discount Store sales)	298.0

APPAREL/GENERAL MERCHANDISE STORE CONGLOMERATES & CHAINS: TOTAL SALES OF PARENT COMPANIES
(continued)

Retail Chain	SALES (Millions of $)
Rose's Stores, Inc., Henderson, N.C. (204 discount stores in 13 southeastern states)	$ 1,009.2
Ross Stores, Inc., Newark, Ca. (107 off-price chain stores)	375.9
SCOA Industries, Inc., Columbus, Oh. (Includes 126 Hills Department Stores)	1,213.7
Salkin & Linoff, Inc., Minneapolis, Minn. (326 specialty stores and leased departments in Minn. operating under various names)	100.0
Schottenstein's Stores Corp., Columbus, Ohio (Owns Value City and Union Co., Columbus, Ohio)	425.0
Shopko Stores, Inc., Green Bay, Wis. (Division of Super Valu Stores) (59 stores in 7 Midwestern States)	754.0
Sprouse-Reitz Co., Inc., Portland, Ore. (Operates 322 general merchandise stores in the south and southwest)	202.8
Strawbridge & Clothier, Philadelphia, Pa. (Including sales of 20 discount Clover Stores with volume amounting to $307 million.)	686.9
Syms, Lyndhurst, N.J. (15 discount apparel stores in N.Y. and Chicago areas)	215.2
Toys "R" Us, Rochelle Park, N.J. (Also includes 23 Kids "R" Us stores)	1,976.1
U.S. Shoe Corp., Cincinnati, Oh. (Includes Casual Corner, 720 women's specialty stores with sales of more than $500 million) Apparel specialty store division total:	1,091.7
Wal-Mart Stores, Inc., Bentonville, Ark. (Including Sam's Wholesale Clubs with sales of $775 million)	8,451.5
Wickes Companies, Inc., San Diego, Ca. Apparel Specialty Store sales total: (Plans to sell most of its retailing operations, including Woman's World (178 stores), Mode O'Day, Howard Brand Discount Stores, Red Owl Stores and others)	700.0
F.W. Woolworth Co., New York, N.Y. (U.S. Woolworth's volume: $1,943 million; Richman Bros.: $254 million; Little Folks Shop, $101 million) Total, all U.S. operations:	3,884.0
Zayre Corp., Framingham, Mass. (337 Zayre discount stores with sales of $2.6 billion. The off-price division -- 191 T.J. Maxx stores, and 428 Hit-or-Miss stores -- had combined sales of $1.1 billion) Total, all operations:	4,036.0

IV. TRADITIONAL DEPARTMENT STORES AND APPAREL SPECIALTY STORES OPERATED BY CONGLOMERATE CORPORATIONS

Corporations & Retail Divisions	Location of Headquarter Office or Headquarter Store
Allied Stores Corporation (acquired by the Campeau Corp. in Nov. 1986)	New York, N.Y.
Ann Taylor	New York, N.Y.
Block's (William H. Block & Co.)	Indianapolis, Ind.
The Bon (Bon Marche)	Seattle, Wash.
Bonwit Teller	New York, N.Y.
Brooks Brothers	New York, N.Y.
Cain-Sloan	Nashville, Tenn.
Catherine's Stout Shoppe	Memphis, Tenn.
Deys	Syracuse, N.Y.
Donaldsons	Minneapolis, Minn.
Garfinckel's	Washington, D.C.
Heer's	Springfield, Mo.
Herpolsheimer's	Muskegon, Mich.
Jerry Leonard	Omaha, Neb.
Jordan Marsh-Florida	Miami, Fla.
Jordan Marsh-New England	Boston, Mass.
Joske's	Dallas, Texas
Levy's (merged into Maas Bros. div.)	Savannah, Ga.
Maas Brothers	Tampa, Fla.
Miller & Rhoads	Richmond, Va.
Millers	Knoxville, Tenn.
Mullers (closed)	Lake Charles, La.
Plymouth	New York, N.Y.
Pomeroy's (includes former Gimbels location in Lancaster, Pa.)	Harrisburg & Levittown, Pa.
Read's	Bridgeport, Conn.
Stern's (includes eight former Gimbels locations)	Paramus, N.J.
Amcena Corporation	New York, N.Y.
Eastern Mountain Sports	Boston, Mass.
JBryron's	Miami, Fla.
Maurice's	Duluth, Minn.
Millers Outpost	Ontario, Calif.
Ohrbach's (to be dissolved)	New York, N.Y.
Uptons	Atlanta, Ga.
The Lodge at Harvard Square (Will add 23 of 28 Howland, Steinbach (Supermarkets General) White Plains, N.Y. stores in 1987).	Newton, Mass.
Amfac, Inc.	San Francisco, Calif.
Liberty House of Hawaii	Honolulu, Ha.
Village Fashions	Philadelphia, Pa.

TRADITIONAL DEPARTMENT STORES AND APPAREL STORES OPERATED BY CONGLOMERATE CORPORATIONS
(continued)

Corporations & Retail Divisions	Location of Headquarter Office or Headquarter Store
Associated Dry Goods (acquired by May Dept. Stores Co., Oct. 1986)	New York, N.Y.
L.S. Ayres & Co.	Indianpolis, Ind.
Caldor, Inc.	Norwalk, Conn.
The Denver Dry Goods Co.	Denver, Co.
Goldwaters	Scottsdale, Ariz.
Hahne & Co.	Newark, N.J.
Joseph Horne Co. (agreement reached for sale to a group of Pittsburgh investors by year-end)	Pittsburgh, Pa.
Loehmann's	New York, N.Y.
Lord & Taylor	New York, N.Y.
J.W. Robinson Co.	Los Angeles, Calif.
Robinson's of Florida	St. Petersburg, Fla.
Sibley, Lindsay & Curr Co.	Rochester, N.Y.
Sycamore Specialty Stores	Indianapolis, Ind.
Batus Inc. (Batus Retail Group)	New York, N.Y.
The Crescent (sold to Seattle investment group)	Spokane, Wash.
Frederick & Nelson (sold to Seattle investment group)	Seattle, Wash.
Gimbels-East (some stores sold to Allied, others were closed)	New York, N.Y.
Gimbels-Midwest (some stores converted into Marshall Field stores, others sold to P.A. Bergner)	Milwaukee, Wis.
Gimbels-Pittsburgh (majority of these stores were sold to May Dept. stores)	Pittsburgh, Pa.
Ivey's-Carolinas	Charlotte, N.C.
Ivey's-Florida (both to be consolidated into a single division in Spring 1987)	Orlando, Fla.
Kohl's Department Stores (leveraged buyout by management group)	Brookfield, Wis.
Marshall Field & Co.	Chicago, Ill.
Saks Fifth Avenue	New York, N.Y.
Thimbles	New York, N.Y.
Carson Pirie Scott & Company	Chicago, Ill.
Carson Pirie Scott Department Stores	Chicago, Ill.
County Seat	Chicago, Ill.

TRADITIONAL DEPARTMENT STORES AND APPAREL STORES OPERATED BY CONGLOMERATE CORPORATIONS
(continued)

Corporations & Retail Divisions	Location of Headquarter Office or Headquarter Store
Carter Hawley Hale Stores, Inc. (announced plan to spin off specialty stores into a new company)	Los Angeles, Ca.
Bergdorf Goodman Co.	New York, N.Y.
The Broadway-Southern California	Los Angeles, Ca.
The Broadway-Southwest	Phoenix, Ariz.
Contempo Casuals	Los Angeles, Ca.
Emporium Capwell	San Francisco, Ca.
Neiman-Marcus	Dallas, Tex.
Thalhimers	Richmond, Va.
John Wanamaker (to be sold to Woodward and Lothrop)	Philadelphia, Pa.
Weinstock's	Sacramento, Ca.
Crown American	Johnstown, Pa.
Hess's Department Stores	Allentown, Pa.
Dayton Hudson Corp.	Minneapolis, Minn.
Dayton Hudson Department Stores	Minneapolis, Minn.
Mervyn's	Hayward, Ca.
Target	Minneapolis, Minn.
Dylex Limited	Toronto, Ont., Canada
Brooks Fashion Stores	New York, N.Y.
Foxmoor	West Bridgewater, Mass.
The Wet Seal	Irvine, Calif.
Edison Brothers Stores, Inc.	St. Louis, Mo.
Fashion Conspiracy	St. Louis, Mo.
Jeans West/Oak Tree	St. Louis, Mo.
Size 5-7-9 Shops	St. Louis, Mo.
Elder Beerman Stores Corp.	Dayton, Oh.
Elder Beerman Department Stores	Dayton, Oh.
Margo's/Regan's	Dallas, Tex.
Spare Change (merged into Margo's)	Dayton, Oh.
Federated Department Stores, Inc.	Cincinnati, Oh.
Abraham & Straus	Brooklyn, N.Y.
Bloomingdale's	New York, N.Y.
Bullock's	Los Angeles, Calif.
Burdine's	Miami, Fla.
The Children's Place	Pine Brook, N.J.
Filene's	Boston, Mass.
Filene's Basement	Boston, Mass.
*Foley's	Houston, Tex.
Gold Circle (includes Richway stores)	Columbus, Oh.
Goldsmith's	Memphis, Tenn.
Lazarus	Cincinnati, Oh.
I. Magnin	San Francisco, Ca.
MainStreet	Chicago, Ill.
Rich's	Atlanta, Ga.
*Sanger Harris (acquired John A. Brown stores from Dillard in May 1985)	Dallas, Tex.

*It is reported that these two divisions will be merged in 1987.

TRADITIONAL DEPARTMENT STORES AND APPAREL STORES OPERATED BY CONGLOMERATE CORPORATIONS
(continued)

Corporations & Retail Divisions	Location of Headquarter Office or Headquarter Store
General Mills, Inc.	Minneapolis, Minn.
Eddie Bauer	Redmond, Wash.
The Talbots, Inc.	Hingham, Mass.
W.R. Grace (selling its entire retailing group in 1986)	New York, N.Y.
Berman's	Brooklyn Park, Minn.
*Herman's World of Sporting Goods	Cartaret, N.J.
Shepler's	Wichita, Ks.

*W.R. Grace sold its interest in Herman's to the Dee Corp., England.

Corporations & Retail Divisions	Location of Headquarter Office or Headquarter Store
Hartmarx	Chicago, Ill.
Baskin Clothing Co.	Chicago, Ill.
Ray Beers	Topeka, Ks.
Capper & Capper, Inc.	Detroit, Mich. and Chicago, Ill.
Country Miss Stores	New York, N.Y.
deJong's	Evansville, Ind.
Field Brothers	New York, N.Y.
Hasting's	San Francisco, Ca.
Jack Henry	Kansas City, Mo.
Jaymar/Sansabelt Shops	Michigan City, Ind.
Kleinhans	Buffalo, N.Y.
Klopfenstein's	Seattle, Wash.
Kuppenheimer's	Atlanta, Ga.
Leopold Price & Rolle	Houston, Tex.
Liemandt's	Minneapolis, Minn.
Littler's	Seattle, Wash.
Peer Gordon	Cleveland, Ohio
Porter-Stevens	New Orleans, La.
Root's	Red Bank, N.J.
Silverwoods	Los Angeles, Ca. and Las Vegas, Nev.
Chas. A. Stevens	Chicago, Ill.
F.R. Tripler & Co.	New York, N.Y.
Walkers	Columbus and Dayton, Oh.
Wallachs	New York, N.Y.
Jas. K. Wilson	Dallas, Tex.
Wolf Bros.	Tampa, Fla.
Zachry	Atlanta, Ga.
Interco, Inc.	St. Louis, Mo.
Fine's Men's Shops, Inc.	Norfolk, Va.
Golde's Department Stores	St. Louis, Mo.
Idaho Department Stores Co.	Caldwell, Id.
Sky City Stores, Inc.	Asheville, N.C.
United Shirt Distributors, Inc.	Detroit, Mich.

TRADITIONAL DEPARTMENT STORES AND APPAREL STORES OPERATED BY CONGLOMERATE CORPORATIONS
(continued)

Corporations & Retail Divisions	Location of Headquarter Office or Headquarter Store
The Limited, Inc.	Columbus, Oh.
Henri Bendel	New York, N.Y.
Lane Bryant	New York, N.Y.
Lerner Stores Corp.	New York, N.Y.
Limited Stores	Columbus, Oh.
The Limited Express	Columbus, Oh.
Sizes Unlimited	New York, N.Y.
Victoria's Secret	Columbus, Oh.
R.H. Macy & Co., Inc.	New York, N.Y.
(taken private by management in July 1986. Macy Acquiring Corp. is the holding company)	
Bamberger's (name changed to Macy's in 1986)	Newark, N.J.
Macy's Atlanta	Atlanta, Ga.
Macy's California	San Francisco, Ca.
Macy's New York	New York, N.Y.
Manhattan Industries	New York, N.Y.
Frost Brothers (sold in July 1986 to the Wyly Collection)	San Antonio, Tex.
Manhattan Factory Outlet	Fairlawn, N.J.
Manhattan Ward, Inc.	Conshohocken, Pa.
The May Department Stores Co.	St. Louis, Mo.
(acquired Associated Dry Goods in Oct. 1986)	
Famous-Barr Co.	St. Louis, Mo.
G. Fox & Co.	Hartford, Conn.
The Hecht Co.	Washington, D.C.
Kaufmann's (includes former Gimbels-Pittsburgh store locations)	Pittsburgh, Pa.
May-Cohens	Jacksonville, Fla.
The May Co.	Cleveland, Oh.
May Co., California	Los Angeles and San Diego, Ca.
May-D & F	Denver, Co.
Meier & Frank Co.	Portland, Ore.
The M. O'Neil Co.	Akron, Oh.
Strouss (merged into Kaufmann's div.)	Youngstown, Oh.
Melville Corp.	Harrison, N.Y.
Chess King	Worcester, Mass.
Marshall, Inc.	Woburn, Mass.
Wilson's	Los Angeles, Ca.

TRADITIONAL DEPARTMENT STORES AND APPAREL STORES OPERATED BY CONGLOMERATE CORPORATIONS
(continued)

Corporations & Retail Divisions	Location of Headquarter Office or Headquarter Store
Mercantile Stores Co., Inc.	Wilmington, Del.
Bacon's	Louisville, Ky.
Castner Knott Co.	Nashville, Tenn.
de Lendrecie's	Fargo, N.D.
Gayfer's	Montgomery and Mobile, Ala.
Glass Block	Duluth, Minn.
Hennessey's	Billings, Mont.
The Jones Store Co.	Kansas City, Mo.
Joslin's	Denver, Co.
Lion	Toledo, Oh.
McAlpin's	Cincinnati, Oh. & Lexington, Ky.
Root's	Terre Haute, Ind.
J.B. White	Augusta, Ga.
Petrie Stores Corp.	Secaucus, N.J.
G & G Shops	New York, N.Y.
Hartfield's	Secaucus, N.J.
Jean Nicole	Secaucus, N.J.
Marianne	Secaucus, N.J.
Petrie's	Secaucus, N.J.
Rave	Secaucus, N.J.
Stuart's	Secaucus, N.J.
Three Sisters	Secaucus, N.J.
Winkelman's	Detroit, Mich.
Phillips-Van Heusen Corp.	New York, N.Y.
Hamburger's	Baltimore, Md.
Harris & Frank	Los Angeles, Ca.
Juster's	Minneapolis, Minn.
Kennedy's	Boston, Ma.
Supermarkets General	Woodbridge, N.J.
Hochschild, Kohn	Baltimore, Md.
Howland Steinbach	White Plains, N.Y.
(23 of 28 Howland Steinbach div. stores were sold in 1986 to Amcena)	
U.S. Shoe Corp.	Cincinnati, Oh.
August Max	New York, N.Y.
Career Images	Enfield, Conn.
Caren Charles	Enfield, Conn.
Casual Corner	Enfield, Conn.
T.H. Mandy	Merrfield, Va.
J. Riggings	Atlanta, Ga.
Petite Sophisticate	Enfield, Conn.
Ups 'n Downs	Enfield, Conn.
F.W. Woolworth Co.	New York, N.Y.
Anderson-Little	Fall River, Mass.
Little Folks Shop	City of Industry, Calif.
Richman	Cleveland, Oh.
Susie's	New York, N.Y.
Woolworth's	New York, N.Y.

SCHEDULE OF ADDITIONAL FACT FILES

COATS, SUITS, RAINWEAR, AND FURS (WOMEN'S, MISSES' AND JUNIORS'): Details number of manufacturers by employment size, cuttings, and value of shipments. Also covered at the industry level are price trends and imports/exports. At the retailer level, data is presented on estimates of retail volume, sales share by outlet, merchandising and operating results, and also focuses on consumer buying habits and plans.

CONSUMER MARKET DEVELOPMENTS: Provides a detailed view of consumers in the U.S., including population by age and income, number of households and living arrangements, school enrollment, educational attainment, the labor force, employment and earnings. Also covers trends in consumer prices, in personal consumption expenditures by product classification, and the outlook for consumer markets based on current economic trends.

DEPARTMENT STORE SALES (Including Selected Major Apparel Specialty Store Sales): Covers sales and the number of stores operated, listed by geographic region and state based on buying headquarter locations. Lists branch store sales where available, as well as plans to open new stores. Sales information on major general merchandise/apparel retail chains, which are listed alphabetically, and a list of department stores with sales of $50 million or more, are included. (1985 Edition available now -- 1986 Edition available in November)

DRESSES & RELATED APPAREL (WOMEN'S, MISSES' AND JUNIORS'): Statistics on the dress and related women's apparel industry, including trends in the number of manufacturers and in production and shipments. Also data on retail sales by outlet type and on consumer buying habits.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Information on a wide range of fashion accessories including jewelry, watches, gloves, belts, handbags, small leather goods, luggage, neckwear, hats. Includes key information at manufacturer level, as well as sales and consumer data.

FOOTWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A statistical summary of the U.S. footwear industry and footwear markets. Covers domestic production, shipments, and imports. Provides retail sales and merchandising statistics, including sales share by outlet type.

HOME TEXTILES: Information on the industry includes the latest data on number of manufacturers, production and shipments for a wide range of products, including bed linens, towels, blankets and comforters, slip covers, pillows, curtains and draperies. Trends in merchandising, departmental operations and sales by outlet type.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet and on patterns in consumer spending.

HOUSEHOLD FURNITURE AND BEDDING: Contains U.S. industry-wide data on quantity and value of manufacturers' shipments of furniture and bedding (mattresses and dual-purpose sleep furniture). Retail information includes sales by store type, consumers' furniture style preference, etc.

INFANTS', TODDLERS', GIRLS' AND BOYS' WEAR: Manufacturer data spotlights production, value of shipments, number of manufacturers, employment in the industry by company size, price trends. At the retailer level, data focuses on sales share by type of outlet and on operating ratios in department and specialty stores.

INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR (WOMEN'S, MISSES' & JUNIORS'): Data on production and shipments, tracing market shifts in response to fashion changes, retail trends, sales by outlet type, and merchandising ratios.

MAJOR APPLIANCES AND ELECTRIC HOUSEWARES: Covers a wide range of products in the major appliance and traffic appliance classifications, including equipment, and personal care appliances. Details production and shipments, sales trends, sales by outlet type and retail merchandising results.

MEN'S FURNISHINGS AND WORK WEAR: Includes information on number of manufacturers, production and shipment figures on shirts, underwear, nightwear, neckwear, hats, etc., size of firms, imports and exports. Also provides data at the retail level, including sales and merchandising trends, operating ratios, and sales share by type of outlet.

MEN'S SPORTSWEAR, CASUAL WEAR AND JEANS: The wide variety of men's wear items included in this broad category are covered from available information on the industry at the manufacturer, retailer and consumer level. Included is information on production and shipments, market trends, retail sales by outlet type and consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES AND RAINWEAR: Manufacturer level profiled by production value of shipments, employment, size of firms. Data is presented on retail sales, sales share by outlet type and operating ratios. Also data on consumer buying habits.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

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THE SPORTS/FITNESS/LEISURE MARKETS: Covers developments in the rapidly changing markets for sports and physical-fitness-related merchandise. Contains statistical data on sports equipment, apparel and footwear as well as information on the number of participants in various sports. Also includes findings in a survey on specialized sporting goods retailer operations.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits.

A STATISTICAL ANALYSIS OF RETAILING: A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Includes information on the number of outlets by store type, sales, market shares by type of major merchandise classification, sales concentration by size of retail organization, geographical changes, etc. Comparisons (where valid) are made with findings in the last previous census, covering operations in 1977.

THE TEXTILE/APPAREL INDUSTRIES: Industry overview, providing statistics on fibers and fabrics as well as finished goods. Includes information on industry size, concentration of sales by mill/manufacturer size, production and shipments by U.S. mills, as well as exports and imports for end-use markets. Covers capital expenditures and data on mill machinery.

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry-wide statistics and projections, as well as data on leading manufacturers in various product categories. Consumer expenditures, buying habits and usage of various product types are highlighted, as well as data on sales by outlet type and advertising expenditures by major producers.

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Consumer Market Developments

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CONSUMER MARKET DEVELOPMENTS

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CONSUMER MARKET DEVELOPMENTS

TRENDS

Americans have increased their standard of living -- measured by the goods and services consumed by the average American -- at a rate of more than 20% every decade. In the past 35 years, the standard doubled according to a joint report compiled by the U.S. Census Bureau and The Conference Board, an independent business research organization.

The critical factor in the Nation's economic progress involves gains in productivity, i.e. output of the average U.S. worker. Productivity more than doubled in the first half of this century; it more than doubled again in the last 35 years, but the rate of gain slowed due, primarily, to the influx of inexperienced workers (both young people and women). Now this group has been absorbed and the work force is generally more experienced. This, plus technonological advancements and stable prices, hopefully, will stimulate bigger gains in U.S. productivity. However, the productivity rate in 1986 in the nonfarm business sector rose only 0.7% for the year 1986, a little better than the 0.5% gain in 1985. Manufacturing productivity in 1986 was up 2.7% compared with a 4.4% rise in 1985. An improvement, but far below the gains in productivity of the major competitors of the U.S., such as Japan. Leading economists feel that the U.S. may see its standard of living fall if annual overall increases in producivity growth remain below 1% for an extended period of time.

The heavy influx of imports does not do anything much to increase the buying power of the U.S. consumers, and economic growth. The gross national product -- the total value of all goods and services produced in the U.S. -- in 1986 grew at an inflation-adjusted rate of only 2.5%, down from a 2.7% gain in 1985. A 3.2% growth is projected by the White House for 1987; however, the projections of private economists generally range from 2.5% to 3%. A narrowing in the trade deficit due to the falling value of the American dollar, it is hoped, will stimulate growth.

Total consumer spending in 1986 was up an estimated 6.4% compared with 1985 on a current dollar basis, according to preliminary data. A surge in spending in the last months of the year as consumers rushed to buy cars and other durables while deductions on federal tax returns for sales taxes could still be taken. Excluding cars and adjusted for inflation, total retail sales were up an estimated 4.5% in 1986 compared with 1985.

Consumer incomes are not expected to grow as fast in 1987 as they did in 1986, although a cut in the tax rate will add some take-home pay. Generally a gain of around 3% in total sales excluding cars is anticipated. General merchandise sales gains may be above average as consumers switch spending from cars, appliances and furniture. It will not be an easy year, in the view of most retailers who are faced with growing competition in a generally overstored environment and an increasingly fragmented marketplace. Retailers will have to find a special niche in the market that is characterized by many different life styles, needs, and buying patterns.

For the near term, general economic conditions will play a key role in market developments, but in the longer view they will be shaped to an important extent by demographic changes, bringing about major shifts in the composition of the population and of the labor force.

The major implications of demographic change over the rest of this decade are associated with the aging of the population, changes in immigration patterns, and further changes in living arrangements (or the structure of the nation's households). As the baby-boom generation continues to mature, many of the trends associated with its entry into the labor market may reverse as it is replaced by the relatively small baby-bust generation. Improvements in health care is lengthening the average life of the population, further skewing the age distribution toward the elderly.

TRENDS (continued)

Over the next few years, the composition of the population will show a growing percentage in the middle (25 to 44) and older (over 65) age groups, with a corresponding decrease in the percentage of young people. The composition of the labor force, employment patterns by occupation, earnings, consumption and saving patterns, all will be affected by coming demographic developments.

Demographic Projections: 1986-1990

Item	Actual, 1980-85	Projected 1986-90
Population growth (annual percentage change)	1.2	.9
Births (per 1,000 population)	15.8	14.5
Deaths (per 1,000 population)	8.7	8.9
Median age (years)	30.6	32.2
Household formations (million per year)	1.2	1.2-1.6
Average household size (persons)	2.7	2.6

Source: U.S. Bureau of the Census
and National Center for Health Statistics.

Marketers are generally favored by a population bulge among adults age 25 to 45, encompassing people in their peak earning and household formation years. But this is far from being a homogeneous target market. It involves many different life styles, income levels and occupations. To a growing extent the U.S. population is undergoing an income polarization. The middle class is growing smaller; bigger percentages of the population are on the high-income and on the low-income scales. With the outlook for faster growth in low-paying jobs rather than high-paying in coming years, this polarization may worsen.

The Census Bureau expects household formations to gradually decline over the rest of the decade, falling from the 1.5 million annual average recorded in the two years ending March 1986 to 1.2 million annually by 1990, based on current household structures. Household growth could be higher -- perhaps 1.6 million annually -- if the past trend toward independent living persists. The size of the average household, in any event, is expected to shrink further because the downtrend in family size will probably continue.

Although economic conditions --notably tax laws and the inflation rate -- will play a key role, homeownership is expected to grow as the baby boom generation continues to mature. But first-time buyers will constitute a smaller share of the single-family market. Upgrading moves will be more common.

The inevitable aging of the population will not only affect living arrangements and the labor market, but consumption and savings patterns. The savings rate may rise as the baby-boomers move out of the freer-spending age brackets. People in their late twenties and thirties tend to spend relatively more on goods than on services; the reverse pattern generally prevails among older consumers. The growth in purchasing power of the elderly and in the number of people living alone will spur expenditures on services. Labor Department projections on employment trends anticipate the fastest growth will be in service-related jobs rather than in the production of goods.

POPULATION TRENDS

The Total U.S. Population

At the start of the year 1987, an estimated 242.1 million people were living in the U.S. This was 15.5 million more than the April 1980 census count and 2.2 million higher than the 1986 New Year's Day figure. The population is projected to grow by 2.2 million during 1987. This compares with a record growth of 3.1 million reported in 1956, when the U.S. population was about 168 million.

The January 1, 1987 estimate by the U.S. Census Bureau is based on estimated 3.7 million births in 1986, 2.1 million deaths, and net migration of 554,000 during the year. The population increased 0.9% in both 1985 and 1986, and 1.0% in each year from 1981 to 1984. In contrast, the annual rate of increase in the peak years of the baby boom (1947-1961) ranged from 1.6% to 1.9%.

As of July 1, 1986, the total population including U.S. Armed Forces overseas,amounted to 241.5 million which was 13.7 million more than the total reported as of July 1, 1980.

Estimates of the Population By Type, as of July 1, 1980-1986
(in thousands)

	Total Population Including Armed Forces Overseas	Resident Population	Civilian Population
1986(r)	241,489	240,941	239,250
1985(r)	239,283	238,740	237,036
1984(r)	237,019	236,495	234,790
1983(r)	234,799	234,284	232,589
1982(r)	232,520	231,996	230,327
1981(r)	230,138	229,637	227,989
1980(r)	227,757	227,255	225,651

(r) revised

Source: U.S. Bureau of the Census, Current Population Reports, Population Estimates and Projections (Series P-25, No. 993)

Population by Age, Sex, Race

Resident U.S. Population By Age, Sex & Race: 1980, 1985
(Numbers in thousands)

	Total					
July 1, 1985	Total	Male	Female	White	Black & Other Races	Black
All ages	238,740	116,161	122,579	202,768	35,972	28,887
Under 5 years	18,037	9,230	8,806	14,636	3,401	2,706
5 to 9 years	16,822	8,608	8,213	13,621	3,201	2,597
10 to 14 years	17,103	8,762	8,340	13,830	3,273	2,655
15 to 19 years	18,551	9,445	9,107	15,194	3,357	2,770
20 to 24 years	20,993	10,515	10,479	17,511	3,483	2,842
25 to 29 years	21,751	10,886	10,865	18,316	3,435	2,749

(continued)

POPULATION TRENDS

Population by Age, Sex, Race

Resident U.S. Population By Age, Sex & Race: 1980, 1985

(Numbers in thousands)
(continued)

	Total				Black &	
July 1, 1985 (continued)	Total	Male	Female	White	Other Races	Black
30 to 34 years	20,267	10,096	10,171	17,158	3,109	2,408
35 to 39 years	17,708	8,741	8,967	15,243	2,465	1,889
40 to 44 years	14,055	6,889	7,166	12,168	1,887	1,442
45 to 49 years	11,648	5,679	5,969	10,046	1,603	1,255
50 to 54 years	10,942	5,281	5,660	9,509	1,433	1,148
55 to 59 years	11,337	5,389	5,957	9,990	1,347	1,101
60 to 64 years	10,997	5,120	5,877	9,804	1,193	982
65 years & over	28,530	11,529	17,002	25,743	2,787	2,343

	Total				Black &	
July 1, 1980	Total	Male	Female	White	Other Races	Black
All ages	227,255	110,427	116,828	195,208	32,047	26,784
Under 5 years	16,458	8,417	8,040	13,493	2,964	2,476
5 to 9 years	16,609	8,495	8,114	13,622	2,987	2,506
10 to 14 years	18,236	9,314	8,923	15,085	3,151	2,685
15 to 19 years	21,380	10,700	10,680	18,112	3,268	2,757
20 to 24 years	20,767	10,147	10,620	17,647	3,120	2,629
25 to 29 years	19,697	9,801	9,896	16,798	2,899	2,365
30 to 34 years	17,754	8,780	8,974	15,313	2,441	1,929
35 to 39 years	14,980	6,921	7,159	12,219	1,861	1,478
40 to 44 years	11,726	5,738	5,988	10,156	1,570	1,265
45 to 49 years	11,048	5,371	5,677	9,649	1,399	1,150
50 to 54 years	11,698	5,618	6,080	10,344	1,355	1,136
55 to 59 years	11,616	5,480	6,136	10,387	1,229	1,046
60 to 64 years	10,145	4,700	5,446	9,128	1,017	878
65 years & over	25,704	10,366	15,338	23,297	2,407	2,106
Median age: Years						
1985	31.5	39.3	32.7	32.4	26.9	26.6
1980	30.0	28.9	31.3	30.9	25.3	24.9

Source: U.S. Bureau of the Census, Current Population Reports: Estimates of the Population of the U.S., By Age, Sex, and Race: 1980-1985 (Series P-25, 985)

POPULATION TRENDS

Age Patterns

The market for products and services for young children in the U.S. will probably never be larger than now. The number of youngsters under five has now reached a high level; however, birth totals are believed to have peaked for the foreseeable future. Due to the low level of births in the 1970's, the teenager and young adult populations are currently below 1980 levels.

Growing fastest since 1980 is the 35-44 age group (up 23.9%). Their share of the total rose from 11.3% to 13.3%. Gains are also noted in the population share held by people over age 64, and this trend will continue.

Age Structure of the Population: July 1, 1985 and April 1, 1980
(Total population including Armed Forces overseas)

	Percent Distribution		Percent Change in Number
	1985	1980	1985/1980
All ages	100.0%	100.0%	+ 5.4%
Under 5 years	7.5	7.2	+ 10.3
5 to 13 years	12.6	13.7	- 3.4
14 to 17 years	6.2	7.2	- 8.5
18 to 24 years	12.0	13.3	- 5.1
25 to 34 years	17.6	16.4	+ 13.3
35 to 44 years	13.3	11.3	+ 23.9
45 to 54 years	9.4	10.0	- 0.9
55 to 64 years	9.3	9.6	+ 2.9
65 to 74 years	7.1	6.9	+ 9.1
75 to 84 years	3.7	3.4	+ 14.2
85 years & over	1.1	1.0	+ 21.0

Source: U.S. Bureau of the Census,
Current Population Reports (Series P-25, 985)

Sex Ratios:

Up until about 30 years of age, males in the U.S. population outnumber females. In 1985, there were 59,954,000 males compared with 58,007,000 females under 31 years of age. Females, however, have a longer life span, on average, and they outnumber males to an increasing extent with advancing age. Among the population age 65 and over, females were almost 60% of the total in 1985; there were about 68 males for every 100 females in this age category. In the total population, there were 95 males for every 100 females.

Race/Color

The nonwhite population in the U.S. is growing at a faster clip than the white due to higher fertility rates and immigration. Overall the resident population in 1985 was up 5.0% compared with 1980. The black population, however registered a 7.8% gain, and races other than Black and White shot up about 35%.

Race/Color (continued)

The Hispanic population (which includes both Blacks and Whites) increased 16%, reaching a total of $16.9 million in 1985 compared with 14.6 million in 1980. This group represented 7.2% of the U.S. total in 1985 compared with 6.4% in 1980. When adjusted for illegal aliens, the size of the Hispanic population (as well as of other minorities) is greater than the official counts.

Type of Spanish Origin of the U.S. Hispanic Population

	1985		1986	
	% of Total Spanish Origin	% of U.S. Total	% of Total Spanish Origin	% of U.S. Total
Total	100.0%	7.2%	100.0%	6.4%
Mexican	60.6	4.4	59.4	3.8
Puerto Rican	15.1	1.1	13.7	0.9
Cuban	6.1	0.4	5.5	0.4
Other Spanish *	18.1	1.3	21.3	1.4

* Includes Central or South American and other Spanish origin.

Source: Bureau of the Census, Current Population Reports:
Persons of Spanish Origin in the U.S.: March 1985
(Series P-20, No. 403 issued Dec. 1985)

Projections on the Hispanic population were compiled by the Census Bureau in 1986. According to the "middle series" of three assumptions on future Hispanic fertility, immigration and death rates, the Hispanic population may reach 19.9 million by 1990, and climb to 25.2 million by the end of this century.

The Hispanic population is aging, rising from a median of 24.1 years in 1982 to 28.0 in year 2000, 31.2 in 2020, 36.2 in 2050. Because persons of Mexican origin account for six out of 10 in the Hispanic population, there is a great concentration of Hispanics in the Los Angeles-Long Beach area where they represent over 30% of the total population, according to Sales & Marketing Management Magazine.

Asians and Pacific Islanders in the population are increasing even faster than Hispanics. The latest counts on this minority group, from the 1980 Census, totaled about 3.7 million, 142% above the 1970 total. By 1990 people classified as Chinese, Asian, Indian, Japanese, Korean, Filipino, Hawaiian, Pakistanis, etc., are expected to increase to about 5.9 million; by the year 2000, to over 8.0 million.

A Population Reference Bureau study showed that a third of Asian-Americans were living in California in 1980, and the State's share of the total is expected to be above 30% for the foreseeable future, reaching a total of 2.7 million by year 2000 (up from 1.3 million in 1980). The Chinese represent the biggest single group of Asian Americans, but they will probably be outnumbered by Filipino Americans by 1990. More than a million Filipinos and Chinese will live in the U.S. by the end of the decade.

Race/Color (continued)

Immigrants are pouring into the U.S. at a rate of about one million a year, of which an estimated 300,000 are illegals (the tide of which may be stemmed by new legislation). About two-thirds of all immigrants are settling in six states: California and Texas (which together account for about half the total) Florida, New York, New Jersey and Illinois.

Population Projections

The latest Census Bureau projections on the population were issued in May 1984. Included were three different series, each based on different assumptions as to future growth in fertility, mortality and net immigration. The "middle" of the three series has proved to be fairly close to reality thus far, and this series is drawn upon in this report.

Over the next century most growth will occur in the next 40 years. By 2030 the population based on middle projections will reach about 305 million (compared with the current level of 242 million). From 2030 to 2080, a net gain of less than six million people is anticipated.

Continuing recent trends, the population will age rapidly. As previously noted, the median age of the resident population was 31.4 years in 1985 compared with 30.0 years in 1980. By 1990, the median age is expected to reach 33 years; by 2000, 36.3; by 2020, 40.2.

It is significant that the ratio of the working-age population (age 18 to 64) to the retirement age population is declining. In 1983, there were 5.3 persons of working age for everyone age 65 and older; currently there are five; and this is expected to drop to 4.7 by year 2000, then to 2.7 by 2030; 2.4 by 2080.

The bulge in the baby-boom crop on the population chart is moving along the age scale. Population counts covering ages 18 to 24 peaked at 30.4 million in 1981. By 1994 the count will be about 24.1 million. The 30-44 year group, encompassing a major market opportunity for housing, home goods, children's needs and many other products, not only because of its size but its relative affluence, will continue to increase in numbers through this decade and beyond, as will the population 45 and over.

POPULATION TRENDS

Population Projections

POPULATION PROJECTIONS - 1987, 1994, 2005
(Middle Series*)

	Number (Thousands)			% Change	Percent Distribution		
	1987	1994	2005	2005/1987	1987	1994	2005
MALE							
Total all ages	118,309	125,464	134,297	+13.5%	100.0%	100.0%	100.0%
Under 5 years	9,656	9,635	8,931	- 7.5	8.2	7.7	6.6
5 to 9 years	8,954	9,866	9,094	+ 1.6	7.6	7.9	6.8
10 to 15 years	9,998	11,245	11,698	+17.0	8.5	9.0	8.7
16 years & over	89,701	94,718	104,574	+16.6	75.8	75.4	77.9
16 - 19	7,546	6,712	8,058	+ 6.8	6.4	5.3	6.0
20 - 34	31,767	29,725	27,416	-13.7	26.9	23.7	20.4
35 - 54	28,239	35,187	40,769	+44.4	23.9	28.0	30.4
55 - 64	10,178	9,793	14,060	+38.1	8.6	7.8	10.5
65 & over	11,971	13,300	14,271	+19.2	10.1	10.6	10.6
Median age (years)	30.8	33.0	36.0	+16.9	--	--	--
FEMALE							
Total all ages	124,774	132,251	141,381	+13.3	100.0%	100.0%	100.0%
Under 5 years	9,209	9,188	8,518	- 7.5	7.4	6.9	6.0
5 to 9 years	8,557	9,415	8,678	+ 1.4	6.9	7.1	6.1
10 to 15 years	9,554	10,745	11,167	+16.9	7.7	8.1	7.9
16 years & over	97,454	102,903	113,018	+16.0	78.1	77.9	80.0
16 - 19	7,233	6,426	7,707	+ 6.6	5.8	4.9	5.5
20 - 34	31,323	29,068	26,706	-14.7	25.1	22.0	18.9
35 - 54	29,352	36,202	41,249	+40.5	23.5	27.4	29.2
55 - 64	11,591	11,002	15,399	+32.9	9.3	8.3	10.9
65 & over	17,955	20,205	21,957	+22.3	14.4	15.3	15.5
Median age (years)	33.3	35.6	39.2	+17.7	--	--	--
TOTAL, MALE & FEMALE							
Total all ages	243,084	257,714	275,677	+13.4	100.0%	100.0%	100.0%
Under 5 years	18,866	18,823	17,449	- 7.5	7.7	7.3	6.3
5 to 9 years	17,511	19,281	17,772	+ 1.5	7.2	7.5	6.5
10 to 15 years	19,552	21,991	22,865	+16.9	8.0	8.5	8.3
16 years & over	187,155	197,619	217,591	+16.3	77.0	76.7	78.9
16 - 19	14,779	13,138	15,765	+ 6.7	6.1	5.1	5.7
20 - 34	63,091	58,792	54,122	-14.2	26.0	22.8	19.6
35 - 54	57,592	71,389	82,018	+42.4	23.7	27.7	29.7
55 - 64	21,769	20,793	29,459	+35.3	9.0	8.1	10.7
65 & over	29,926	33,507	36,227	+21.1	12.3	13.0	13.1
Median age (years)	32.0	34.3	37.6	+17.5	--	--	--

* Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. Includes Armed Forces overseas.

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census, Current Population Reports Series P-25, No. 952 (May 1984)

POPULATION TRENDS

Population Projections

U.S. Population by Single Years of Age
Infants, Children, Youths & Older
Middle Series Projections* - 1987, 1994
(Numbers in thousands)

	Total		% Change	Male		Female	
	1987	1994	1984/87	1987	1994	1987	1994
Total, all ages	243,084	257,714	+ 6.0%	118,309	125,464	124,774	132,251
Under 5 years	18,866	18,823	- 0.2	9,656	9,635	9,209	9,188
Under 1 year	3,834	3,671	- 4.3	1,963	1,880	1,871	1,792
1 year	3,810	3,721	- 2.3	1,950	1,905	1,860	1,816
2 years	3,780	3,770	- 0.3	1,935	1,930	1,845	1,840
3 years	3,743	3,814	+ 1.9	1,916	1,952	1,827	1,862
4 years	3,699	3,847	+ 4.0	1,893	1,969	1,806	1,878
5 to 9 years	17,511	19,281	+10.1	8,954	9,866	8,551	9,415
5 years	3,662	3,868	+ 5.6	1,873	1,979	1,789	1,888
6 years	3,616	3,874	+ 7.1	1,850	1,982	1,766	1,892
7 years	3,589	3,867	+ 7.7	1,834	1,979	1,755	1,888
8 years	3,387	3,849	+13.6	1,732	1,970	1,655	1,880
9 years	3,257	3,823	+17.4	1,665	1,956	1,592	1,867
10 to 14 years	16,139	18,552	+14.9	8,253	9,487	7,886	9,064
10 years	3,275	3,788	+15.7	1,675	1,938	1,600	1,850
11 years	3,172	3,746	+18.1	1,622	1,916	1,550	1,829
12 years	3,234	3,711	+14.7	1,655	1,898	1,579	1,814
13 years	3,166	3,666	+15.8	1,619	1,875	1,547	1,791
14 years	3,292	3,640	+10.6	1,682	1,860	1,610	1,780
15 to 19 years	18,192	16,577	- 8.9	9,291	8,470	8,901	8,107
15 years	3,413	3,439	+ 0.8	1,745	1,758	1,668	1,681
16 year	3,766	3,309	-12.1	1,926	1,691	1,840	1,618
17 years	3,766	3,326	-11.7	1,925	1,700	1,841	1,626
18 years	3,667	3,221	-12.2	1,870	1,645	1,797	1,596
19 years	3,580	3,282	- 8.3	1,825	1,676	1,755	1,606
20 to 24 years	19,999	17,636	-11.8	10,169	8,974	9,829	8,662
25 to 29 years	22,151	19,059	-14.0	11,153	9,631	10,998	9,429
30 to 34 years	20,941	22,097	+ 5.5	10,445	11,120	10,496	10,977
35 to 39 years	18,767	21,742	+15.8	9,297	10,841	9,470	10,901
40 to 44 years	15,652	19,491	+24.5	7,701	9,639	7,950	8,592
45 to 64 years	44,942	50,949	+13.4	21,419	24,500	23,523	26,451
65 & over	29,926	33,507	+12.0	11,971	13,300	17,955	20,206

* Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. Includes Armed Forces overseas.

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census, Current Population Reports, Series P-25, No. 952 (issued May 1984)

POPULATION TRENDS

Regions, Divisions, States

From 1980 to 1986, the fastest growth in population counts on a regional basis took place in the West (up 12.9%) and in the South (up 10.1%).

Population Growth By Regions & Divisions of the U.S.
1980-1986
(Numbers in thousands)

	Estimated Resident Population		
	July 1, 1986	April 1, 1980 (Census)	% Change 1986/1980
United States	241,077	226,545	+ 6.4%
Northeast	50,018	49,137	+ 1.8
New England	12,737	12,349	+ 3.1
Middle Atlantic	37,281	36,788	+ 1.3
Midwest	59,315	58,867	+ 0.8
East North Central	41,738	41,683	+ 0.1
West North Central	17,577	17,184	+ 2.3
South	82,985	75,369	+ 10.1
South Atlantic	40,916	36,960	+ 10.7
East South Central	15,209	14,666	+ 3.7
West South Central	26,861	23,743	+ 13.1
West	48,759	43,171	+ 12.9
Mountain	13,021	11,372	+ 14.5
Pacific	35,737	31,800	+ 12.4

Source: U.S. Bureau of the Census: release on P-25 report on Population by States (Dec. 31, 1986)

California added 3.3 million people; Texas, 2.5 million; Florida, 1.9 million in the period between 1980 and 1986. Florida passed Illinois as the fifth most populous state in 1986, ranking behind California, New York, Texas and Pennsylvania.

More than half the population growth in the U.S. up until year 2000 will be centered in California, Florida, Texas, Arizona and North Carolina, according to predictions by the National Planning Association. These five states are projected to have population increases totaling to 21.8 million. Another 14% of U.S. growth will come from Georgia, Washington, Colorado, Virginia and Tennessee, according to the NPA. Most of the growth differences are attributed to the migration of people responding to job opportunities.

Three different agencies put out projections on the population of states: the Census Bureau and the Bureau of Economic Analysis of the Department of Commerce, and the National Planning Association, a private nonprofit group. There are significant differences in projections issued up to the year 2000 because of differing methods used by each source.

The most recent projections by the Census Bureau were issued in 1983. In a short time, however, the Bureau will issue a new set of projections on State population growth which is reported to incorporate new methods to obtain more reliable information, incorporating both economic and demographic factors.

How widely published projections on state populations have varied, and how carefully plans based on them should be made, will be apparent in the following examples.

POPULATION TRENDS

Regions, Divisions, States

Projections on Populations of Selected States in 2000
(Numbers in thousands)

	Census Bureau	National Planning Association	Bureau of Economic Analysis
California	30,613	32,067	31,170
Connecticut	3,062	3,577	3,772
Florida	13,316	15,071	14,628
Massachusetts	5,490	6,896	6,780
Michigan	9,208	9,789	9,358
New York	14,990	18,696	18,971
Texas	20,739	18,802	19,339

Source: Wall Street Journal, June 3, 1986

Resident Population of States, 1980, 1986
(Numbers in thousands)

	July 1, 1986	April 1, 1980 (Census)	% Change 1986/1980
U.S. Total	242,077	226,545	+ 6.4%
New England:			
Maine	1,174	1,125	+ 4.3
New Hampshire	1,027	921	+ 11.5
Vermont	541	511	+ 5.8
Massachusetts	5,832	5,737	+ 1.7
Rhode Island	975	947	+ 2.9
Connecticut	3,189	3,108	+ 2.6
Middle Atlantic:			
New York	17,772	17,558	+ 1.2
New Jersey	7,620	7,365	+ 3.5
Pennsylvania	11,889	11,865	+ 0.2
East North Central:			
Ohio	10,752	10,798	- 0.4
Indiana	5,504	5,490	+ 0.2
Illinois	11,553	11,427	+ 1.1
Michigan	9,145	9,262	- 1.3
Wisconsin	4,785	4,706	+ 1.7
West North Central:			
Minnesota	4,214	4,076	+ 3.4
Iowa	2,851	2,914	- 2.2
Missouri	5,066	4,917	+ 3.0
North Dakota	679	653	+ 4.1
South Dakota	708	691	+ 2.5
Nebraska	1,598	1,570	+ 1.8
Kansas	2,461	2,364	+ 4.1
West South Central:			
Arkansas	2,372	2,286	+ 3.8
Louisiana	4,501	4,206	+ 7.0
Oklahoma	3,305	3,025	+ 9.2
Texas	16,682	14,226	+ 17.3

(continued)

POPULATION TRENDS

Regions, Divisions, States (continued)

Resident Population of States, 1980, 1986

(Number in thousands)
(continued)

	July 1, 1986	April 1, 1980 (Census)	% Change 1986/1980
Mountain:			
Montana	819	787	+ 4.1
Idaho	1,003	944	+ 6.2
Wyoming	507	470	+ 8.0
Colorado	3,267	2,890	+ 13.1
New Mexico	1,479	1,303	+ 13.5
Arizona	3,317	2,717	+ 22.1
Utah	1,665	1,461	+ 14.0
Nevada	963	801	+ 20.3
Pacific:			
Washington	4,463	4,132	+ 8.0
Oregon	2,698	2,633	+ 2.5
California	26,981	23,668	+ 14.0
Alaska	534	402	+ 32.8
Hawaii	1,062	965	+ 10.1

Source: U.S. Bureau of the Census: Advance release,
December 31, 1986

Regional differences are noted in the age distribution of the resident population. The Northeast has the lowest percentage that are under 15 years of age -- 19.7% vs. 22.7% in the West. On the other hand, the Northeast has the highest percentage of population age 65 and over. This group represents 13.2% of the Northeast's total population; in the West, it accounts for only 10.5%, and 11.8% of the South's total, despite the migration of older people to the Sunbelt.

Resident Population of Regions By Age: July 1985

	U.S. Total	Northeast	Midwest	South	West
Number (thousands)	238,740	49,859	59,197	81,858	47,826
Percent	100.0	100.0	100.0	100.0	100.0
Age group:					
Under 5 years	7.6	6.6	7.6	7.6	8.4
5 to 14 years	14.2	13.1	14.7	14.5	14.3
15 to 24 years	16.6	16.5	16.6	16.8	16.1
25 to 34 years	17.6	16.7	17.3	17.5	19.1
35 to 44 years	13.3	13.4	12.8	13.2	14.0
45 to 54 years	9.5	10.0	9.3	9.5	9.1
55 to 64 years	9.3	10.5	9.3	9.1	8.5
65 to 74 years	7.1	7.8	7.2	7.1	6.4
75 & over	4.8	5.4	5.2	4.7	4.1

Source: U.S. Bureau of the Census, Current Population Reports:
State Population & Household Estimates to 1985
(Series P-25, No. 998)

POPULATION TRENDS

Metropolitan Areas

Over 76% of the U.S. population is in metropolitan areas, and there are now 43 areas with 1 million or more persons. In 1984, the metropolitan population reached 180 million, an increase of 8 million since 1980. Nonmetropolitan America grew by about 2 million, reaching 56.4 million.

Except for the 1970's, metropolitan growth has outpaced that of the rest of the country, although the difference has narrowed in the 1980's. The largest areas -- Metropolitan Statistical Areas (MSAs) with a population of a million or more -- have grown the fastest. The latest profile of the population by metropolitan status was issued by the Census Bureau in November 1985. A preliminary report for 1985 indicates metropolitan area growth remained at about one percent compared with 1984, but nonmetropolitan area growth dropped to only 0.3%.

Population By Metropolitan Status for Regions: 1970-1984

	Population 1984 (thous.)	% Change		Average Annual Change	
		1984/80	1980/70	1980-84	1970-80
Total U.S. Population	236,158	+ 4.2	+11.4	+ 1.0	+ 1.1
Inside MSA's	179,723	+ 4.5	+10.6	+ 1.0	+ 1.0
Northeast	43,773	+ 1.1	- 1.0	+ 0.3	- 0.1
Midwest	41,643	+ 0.4	+ 2.7	+ 0.1	+ 0.3
South	55,587	+ 8.1	+21.8	+ 1.8	+ 2.0
West	38,719	+ 8.2	+22.7	+ 1.9	+ 2.0
Inside Central Cities of MSA's	74,476	+ 2.7	+ 0.8	+ 0.6	+ 0.1
Northeast	16,548	- 0.2	-10.4	- 0.1	- 1.1
Midwest	17,572	- 1.6	- 8.5	- 0.4	- 0.9
South	23,922	+ 5.3	+ 9.5	+ 1.2	+ 0.9
West	16,435	+ 6.8	+16.4	+ 1.6	+ 1.5
Outside Central Cities of MSA's	105,247	+ 5.9	+19.0	+ 1.3	+ 1.7
Northeast	27,226	+ 2.0	+ 5.8	+ 0.5	+ 0.6
Midwest	24,072	+ 1.9	+13.1	+ 0.4	+ 0.9
South	31,665	+10.3	+33.7	+ 2.3	+ 2.9
West	22,284	+ 9.3	+27.9	+ 2.1	+ 2.5
Outside MSA's	56,435	+ 3.4	+14.3	+ 0.8	+ 1.3
Northeast	5,954	+ 1.9	+ 9.9	+ 0.4	+ 0.9
Midwest	17,473	+ 0.5	+ 7.4	+ 0.1	+ 0.7
South	24,989	+ 4.3	+16.3	+ 1.0	+ 1.5
West	8,018	+ 8.3	+30.3	+ 1.9	+ 2.6

Source: U.S. Bureau of the Census: Patterns of Metropolitan Area and County Population Growth: 1980-1984 (Series P-25, No. 976)

Metropolitan Areas (continued)

Nonmetropolitan, small town markets are primarily concentrated in the Midwest and South. The Midwest has half the country's towns with a population under 2,500; the South is next, then the Northeast, and the West. The Midwest also has half the country's agriculture-dependent counties, and 46% of these counties have no incorporated town of 2,500 population. Economic conditions, particularly losses in agriculture-related jobs have led to a decline in the region's nonmetropolitan county population in recent years, dropping to -0.2% in 1985 compared with 1984.

Migration/Mobility Patterns

The South (particularly Florida and Texas) was the only region to gain more residents than it lost through U.S. migration in 1983-1984, according to a Census Bureau report issued in November 1986, and the South replaced the West as the region drawing the largest number of internal migrants -- most of the gain coming from migrants from the Midwest. In the 1983-1984 period, 3,540,000 people moved from one Region to another, and of these, 31% (1,102,000) originated in the Midwest. Of these Midwesterners, almost 57% moved to the South, while the Midwest gained only 359,000 migrants from the South. This marked the Nation's largest flow of movers. The net flow of migrants from other regions into the West, a marked trend in the mid-1970s, no longer prevailed in 1984.

Now, however, migration patterns, particularly within the South, are being affected by economic repercussions caused by the decline in oil prices and oil exloration. Between 1984 and 1985, according to a report in American Demographics (January 1987), the pattern that had prevailed for Texas was completely reversed as the State registered a net out-migration to other Southern States, and the Michigan-to-Texas migration stream fell to a trickle. California and Florida, too, are losing residents to surrounding states. Nevertheless, the three major Sunbelt States continue to grow significantly faster than the U.S. as a whole. But now they are being characterized as "revolving doors", pulling people in and sending them out to other states in the Sunbelt.

Between March 1983 and March 1984, 39.4 million people age one year and older, or 17.3% of the U.S. population, moved to a different dwelling compared with 16.6% during the 1982-1983 period. Most moves were local, i.e. within the same county (involving six out of every 10 movers); 20.8% moved within the State; 16.4% moved between States, and 2.8% moved from abroad.

Compared with the 17% of the population currently pulling up stakes annually, the Nation's mobility rate was at an all-time high of 21% between 1960 and 1961 when the suburbs were registering rapid growth. While the rate is down, the number of movers is greater now than ever, making Americans the most mobile people in the world. This has generated many new industries and services -- mini-storage facilities, truck rental, furniture rental, etc., as well as a boom in the real estate market.

Sharp differences are noted in the overall mobility rates in different regions of the country, with the highest rate noted in the West. The South, however, has the highest numerical total of movers -- 14.7 million, or 37.2% of the national total.

Migration/Mobility Patterns (continued)

Mobility Status of the Population Age One Year & Older
By Regions, March 1983-March 1984

	Northeast	Midwest	South	West
All persons (thousands)	48,532	57,382	77,436	44,882
Total	100.0%	100.0%	100.0%	100.0%
Nonmovers	88.0	84.4	81.0	77.9
Movers, total	12.0	15.6	19.0	22.1
Local movement (within county)	7.3	9.9	10.9	13.3
Nonlocal:				
Between counties within state	2.4	8.2	4.2	4.4
Between states	1.8	2.2	3.4	3.6
From abroad	0.4	0.2	0.5	0.8
Percent of total movers (equal to 100%) accounted for by each region	14.8	22.8	37.2	25.2

Source: U.S. Bureau of the Census, Current Population Reports:
Geographical Mobility: March 1983 to March 1984
(Series P-20, No. 407)

According to Census Bureau projections, the average person moves at least 11 times in his or her lifetime, or at a rate of one move every six years. In addition to differences in the mobility rates geographically, there are demographic differences. A survey by Gallup in 1983 indicated that employment-related reasons account for most moves: job change, 23%, job transfer, 20%; move to a larger residence, 13%; move to a better location, 11%; move from rental housing to own home, 10%; other, 23%.

Geographical mobility in the U.S. peaks among young adults in their twenties, especially in the late twenties and tends to decline thereafter. The higher rate is due to many factors peculiar to this age group: leaving school, entry into the labor force, early career mobility, establishment of a separate household, and residence in rental housing. In the 1983-1984 period, a third of the population age 20-29 years were movers including 12.6% who moved between counties -- the highest rate for any age group.

Persons with higher levels of educational attainment were more likely to move than others during the period. Among college graduates (4 years of college), 19% moved; among those with 5 years or more of college, 17% moved, compared with just 11% of persons with an educational attainment level of the eighth grade or lower.

MARITAL STATUS/MARRIAGES

The marital status of the adult population has undergone great changes over the last few decades, marked by postponement of first marriage, a growing proportion of never-married persons, and an additional growth of "singles" due to divorce and separation.

Preliminary data from the Census Bureau on the percent of men and women who had never married as of March 1986 showed an overall total of 30% of males and 22.8% of females age 15 and over. Comparable figures in 1970 were 28.1% and 22.1%, respectively. While the overall change is small, it was much sharper among younger adults.

Percent of Population Never Married in Selected Age Groups:
1970, 1980, 1986

	1986	1980	1970
Males, age 15 & over	30.0%	29.6%	28.1%
Selected age groups:			
20 to 24 years	75.5	68.8	54.7
25 to 29 years	41.4	33.1	19.1
30 to 34 years	22.2	15.9	9.4
Females, age 15 & over	22.8%	22.5%	22.1%
Selected age groups:			
20 to 24 years	57.9	50.2	35.8
25 to 29 years	28.1	20.9	10.5
30 to 34 years	14.2	9.5	6.2

Source: U.S. Bureau of the Census, Current Population Reports: Households, Families, Marital Status: March 1986 (Advance Report, Series P-20, No. 412)

Overall, there were about four unmarried men for every five unmarried women, but the ratio of unmarried men to unmarried women is much larger for young adults under age 35. In the 25-to-34 age group the ratio was 119 unmarried men for every 100 unmarried women in 1985, compared with an 84-to-100 ratio among the population age 35 to 44, and 54-to-100 for the age group 45 to 64 years.

Marketers catering to the swinging singles -- potentially those under 35 years of age -- have a target market totaling almost 46 million people, a gain of 6.8% over the 43 million counted in 1980, and about 41% over 1970's total of under 33 million. Older singles have gained in number from 24.1 million in 1980 to 28.4 million in 1985 (+17.9%); and the 1985 total was eight million more, or up 39%, compared with 1970.

Unmarried Men & Women By Age: 1970, 1980, 1985
(Numbers in thousands)

	1985		1980		1970	
	Men	Women	Men	Women	Men	Women
Total, age 15 & older	33,481	40,837	30,134	36,949	23,450	29,618
Under 25 years	16,844	15,002	17,284	15,166	15,214	13,577
25 to 34 years	7,629	6,411	5,693	4,825	2,115	1,721
35 to 44 years	3,079	3,654	1,987	2,426	1,143	1,545
45 to 64 years	3,418	6,272	2,985	5,923	2,740	5,342
65 & over	2,511	9,497	2,186	8,610	2,239	7,432

Note: Unmarried includes never married, widowed, and divorced.

Source: U.S. Bureau of the Census, Current Population Reports:
Marital Status & Living Arrangements: March 1985

Delayed marriage, as well as the high cost of living and the increase in divorces, are keeping many young adults at home with their parents. A Census Bureau report shows that of all 18-to-24 year old men in 1985, 60% lived at home or in college dormitories; for women, the percentage was 48%.

In 1986, the median age at first marriage was 25.7 years for men and 23.1 years for women, according to the Census bureau. The median age at first marriage has been rising for the past 30 years, and this trend accelerated between 1975 and 1985, particularly for women.

The trend toward postponing marriage reflects a greater tendency among young adults to pursue advanced education, or to establish their careers prior to assuming family responsiblities.

Median Age at First Marriage, By Sex: 1970, 1980, 1986

Year	Men	Women
1986	25.7	23.1
1980	24.7	22.0
1975	23.5	21.1
1970	23.2	20.8

Source: U.S. Bureau of the Census, Current Population Reports,
Advance Report (Series P-20, No. 412) issued November 1986

Two studies have been issued in recent months on the outlook of marriage faced by single women, each with some different conclusions. The most recent is a Census Bureau study based on data from 1978 and 1979 and on the assumption that marriage rates will not change for the next 50 years. The other analysis, released in the Summer of 1986, was a Harvard-Yale study which analyzed data from 1982 and 1985, and assumed changing rates of marriage based on changing social and economic factors. Demographers differ in their reactions to the procedures and conclusions in both studies.

MARITAL STATUS/MARRIAGES

The broad findings in the Harvard-Yale study, published by the New York Times, seem to find more support than breakouts for specific groups in the female adult population. A basic finding is that one out of every eight women born in the mid-1950's will never marry, compared with only one in 25 women in the preceding generation. Among college-educated white women born in the 1950's, nearly one in five will never marry; among young black women, almost three in ten will never marry, according to this study.

While some of the downturn is involuntary, there are other factors that are playing an increasingly important role, perhaps, in a voluntary decision not to marry, mainly as a result of women's greater economic and social independence, according to this study. The Census Bureau study was more optimistic than the Harvard-Yale report on the likelihood of marriage among never-married women in their 30's and beyond.

Marriages

Provisional estimates indicate that the national marriage rate fell between 1984 and 1985, from 10.5 to 10.2 per 1,000 population. The 1985 rate was the lowest since 1977 (9.9), and another drop is indicated for 1986. In the 10 month period January-October, 1986, the marriage rate was 10.1 compared with 10.4 in the same 1985 span. The drop in the rate follows a period of fairly steady rates from 1980-1984. The highpoint was reached in 1946 (16.4); and the low, 7.9, was in the depression year 1932.

Like the marriage rate, the number of marriages dropped in 1985, from 2,487,000 in 1984 to 2,425,000 (-2%). Despite the drop, marriages in 1985 reached the fourth greatest total in U.S. history. In the January-October 1986 period, there were a total of 2,021,000 marriages, which was 1.7% below the 2,056,000 reported by the National Center for Health Statistics in the same months of 1985.

Number of Marriages in the U.S. & Marriage Rates: Selected Years, 1970-1985

	Number	Rate
1970	2,158,802	10.6
1973	2,284,108	10.8
1975	2,152,662	10.0
1977	2,178,367	9.9
1980	2,390,252	10.6
1984	2,487,000	10.5
1985	2,425,000	10.2

Source: U.S. Dept. of Health & Human Services
National Center for Health Statistics

The percent of marriages that are first marriages for either or both bride and groom has dropped sharply, from 68.6% of marriages in 1970 to 54.4% in 1983, the latest available figure. This pattern obviously affects buying patterns relating to the bridal market.

Marriages (continued)

Percent Distribution of Marriages by Marriage Order: 1970, 1975, 1980, 1983

			Marriage Order of Bride & Groom		
Year	All Marriages	1st marriage of bride & groom	1st marriage of bride, remarriage of groom	Remarriage of bride, 1st for groom	Remarriage for both
1983	100.0%	54.4%	11.6%	10.5%	23.5%
1980	100.0	56.2	11.3	9.8	22.7
1975	100.0	60.1	9.9	8.6	21.3
1970	100.0	68.6	7.6	7.3	16.5

Source: U.S. Dept. of Health & Human Services:
Advance Report of Final Marriage Statistics, 1983
(released May 2, 1986)

There is a wide variation in the marriage rate regionally and by states. In 1985, the rate by geographic divisions ranged from a high of 18.2 in the Mountain States to a low of 8.5 in the Middle Atlantic region. Although marriage rates in New England and Middle Atlantic States were relatively low, these were the only divisions which showed a gain compared with 1980.

Among States, 1985 marriage rates ranged from lows of 7.5 in Pennsylvania and 7.6 in Nebraska and West Virgina to highs of 13.1 in Texas, 14.5 in Hawaii, 15.8 in South Carolina, and 114.2 in Nevada.

Number of Marriages & Marriage Rates, By Geographic Divisions: 1980, 1985

	1985			1980		
	Number	Percent	Rate**	Number	Percent	Rate**
U.S. Total	2,425,000*	100.0%	10.2	2,390,252	100.0%	10.6
Geographic Regions:						
New England	114,855	4.7	9.1	106,328	4.4	8.6
Middle Atlantic	315,466	12.9	8.5	293,985	12.3	8.0
East North Central	365,658	15.0	8.8	395,517	16.5	9.5
West North Central	157,251	6.4	9.0	173,720	7.3	10.1
South Atlantic	443,595	18.2	11.0	413,113	17.3	11.2
East South Central	172,440	7.1	11.4	168,828	7.1	11.5
West South Central	319,824	13.1	12.1	298,244	12.5	12.6
Mountain	233,165	9.6	18.2	241,704	10.1	21.3
Pacific	314,542	13.0	9.0	298,813	12.5	9.4

* Because some states use a different method of compiling estimates on marriages -- including for some counts on licensees issued rather than marriages -- regional totals do not add to the 1985 national total, which is separately calculated by the Health Dept.

**Rate per 1,000 population. Note that marriage counts by State, on which regional totals are based, are by place of occurrence, not necessarily the residence of the couples. In particular, this inflates the Mountain Region's rate, as many out-of-State residents, particularly Californians, marry in Nevada.

Source: U.S. Department of Health & Human Services,
National Center for Health Statistics

Marriages (continued)

Marriages are seasonal, with the fewest in January and the most in June, although monthly rates vary from year to year. In 1985, 5.3% of the marriages took place in January and 11.5% in June. Remarriages show less seasonal variation than first marriages.

Monthly Pattern in Marriages & in Marriage Rates: 1984, 1985

	Number	Percent	Rate* 1985	Rate* 1984
Total	2,425,000	100.0	42.8	44.4
January	129,000	5.3	27.0	27.2
February	146,000	6.0	33.7	37.1
March	157,000	6.5	32.7	32.4
April	174,000	7.2	37.5	37.8
May	238,000	9.8	49.6	48.5
June	280,000	11.5	60.2	66.6
July	235,000	9.7	48.7	48.3
August	255,000	10.5	52.9	55.9
September	235,000	9.7	50.3	54.2
October	206,000	8.5	42.8	42.3
November	182,000	7.5	38.9	42.0
December	187,000	7.7	38.6	41.2

* Monthly rate of marriages per 1,000 women 15-44 years of age.

Source: U.S. Department of Health & Human Services,
National Center for Health Statistics

Divorces

Of the singles counted by the Census Bureau in March 1985, 13.1 million people (7.8 million women and 5.3 million men) were divorced. Available data for the first 10 months of 1986 show the number of divorces down almost 1% compared with the same 1985 period, and the rate down to 4.9 from 5.0 per 1,000 population. The year 1985 had the third highest total recorded, reaching 1,187,000 divorces. The peak, 1,213,000, was in 1981.

HOUSEHOLDS/FAMILIES

Advance information released in November 1986 by the Census Bureau, based on the March 1986 Current Population Survey, showed a total of 88.5 million households in the U.S., a net increase of about 1.7 million over March 1985. This was higher than the net annual increase of about 1.2 million averaged in 1980-1985, but only slightly above the 1.6 million average annual increase in the 1970's.

Although most households consist of a family, many do not. A family household requires at least two persons: the householder (usually defined as the person who owns or rents the dwelling) and one or more additional persons related to the householder through birth, marriage, or adoption. Families accounted for about 72% of all households in 1986, compared with 74% in 1980 and 1981.

A nonfamily household is either a person living alone, or a householder with one or more other persons not related to the householder. Of total households, married-couple families accounted for 58%; other types of families, 14%; non-family households, 28%, as of March 1986.

In 1970, the distribution was 71%, 11%, and 18%, respectively. This contrast illustrates the growth in importance of nonfamily households which has had such an impact on consumer market patterns. Nonfamily households accounted for more than half (53%) of the total net increase in households from 1970 to 1980, and 48% of the 1980-1986 increase.

About 85% of nonfamily households in 1986 were persons living alone -- about 21.2 million people, up 16% over 18.3 million in 1980 and almost double the 1970 total of 10.8 million.

In 1986, about 2.2 million persons were maintaining living quarters which they shared with one unrelated adult of the opposite sex (including a paid employee). About 52% of unmarried couple householders in 1986 were persons who had never been married; an additional 34% were divorced. There were about four times as many unmarried couple households in 1986 as there were in 1970, but they still represent only about four out of every 100 couples in the Nation, and the rate of increase in this group has declined from 11.1% annually in the 1970's to 5.6% in the 1980's.

The average size of households in the U.S. fell to a new low in 1986 (2.67 persons). This compares with 2.76 in 1980 and 3.14 in 1970. Fewer children per family, more one-parent families and more persons living alone are all factors in this decline.

Household & Family Units, By Type: 1970-1986

	1986		1980		1970	
	Number	Percent	Number	Percent	Number	Percent
Households, total	88,458	100.0	80,776	100.0	63,401	100.0
Family households, total	63,558	71.9	59,550	73.7	51,456	81.2
Married-couple family	50,933	57.6	49,112	60.8	44,728	70.5
Other family:						
Male householder	2,414	3.8	1,733	2.1	1,228	1.9
Female householder	10,211	11.5	8,705	10.8	5,500	8.7
Nonfamily households	24,900	28.1	21,226	26.3	11,945	18.8
Living alone	21,178	23.9	18,296	22.7	10,851	17.1
Male householder	10,648	12.0	8,807	10.9	4,063	6.4
Female householder	14,252	16.1	12,419	15.4	7,882	12.4
Average population						
Per household:						
All ages	2.67		2.76		3.14	
Under 18 years	0.71		0.79		1.09	
18 years & over	1.96		1.97		2.05	
Per family:						
All ages	3.21		3.29		3.58	
Under 18 years	0.98		1.05		1.34	
18 years & over	2.23		2.23		2.25	

Source: U.S. Bureau of the Census, Current Population Reports: Households, Families, Marital Status: March 1986 (Advance Report, Series P-20, No. 412) (Issued November 1986)

HOUSEHOLDS/FAMILIES

Further details on household composition, and on families, are included in final reports released by the Census Bureau based on the March 1985 Current Population Survey. Family households with no own children under 18 years of age increased 10.7% from 1980 to 1985, bringing the number to 31.6 million (36.4% of total households). Compared with 1970, the 1985 count was up 39%.

Family households with own children under 18 years of age totaled 31.1 million. This represented a gain of 8.3% compared with the 1970 total, but was 2.5% below 1980. In 1985, households with own children under 18 years of age were only 35.8% of all U.S. households, down from 38.4% in 1980 and 45.3% in 1970. The total number of households with any children under 18 years of age amounted to 33.4 million in 1985, 38.4% of all households. These children numbered 62.6 million, or 27% of all household members.

A significant change in household composition in the past 15 years has been the growth in single person households. These numbered over 21.1 million in 1986, more than double the 1970 total. Males accounted for about 38% of the 1986 total; women, 62%. Women were generally older than the men. In 1985, 56.3% of the men living alone were under age 45. Among women, only 24.2% were under 45. The median age for women living alone was 65.5 years compared with 41.4 years for men.

A contrary development has been the increase in young adults remaining at home with parents, particularly young men. (See LIVING ARRANGEMENTS)

Household Composition: 1970, 1980, 1985
(Numbers in thousands)

	1985		1980		1970	
	Number	Percent	Number	Percent	Number	Percent
All households	86,789	100.0	80,776	100.0	63,401	100.0
Family households	62,706	72.3	59,550	73.7	51,456	81.2
No own children under 18	31,594	36.4	28,528	35.3	22,725	35.8
With own children under 18	31,112	35.8	31,922	38.4	28,731	45.3
Married couple family	50,350	58.0	49,112	60.8	44,728	70.5
No own children under 18	26,140	30.1	24,151	29.9	19,196	30.3
With own children under 18	24,210	27.9	24,961	30.9	25,532	40.3
Other family, male householder	2,228	2.6	1,733	2.1	1,228	1.9
No own children under 18	1,331	1.5	1,117	1.4	887	1.4
With own children under 18	896	1.0	616	0.8	341	0.5
Other family, female householder	10,129	11.7	8,705	10.8	5,500	8.7
No own children under 18	4,123	4.8	3,261	4.0	2,642	4.2
With own children under 18	6,006	6.9	5,445	6.7	2,858	4.5
Nonfamily households	24,082	27.7	21,226	26.3	11,945	18.8
Male householder	10,114	11.7	8,807	10.9	4,063	6.4
Living alone	7,922	9.1	6,966	8.6	3,532	5.6
Female householder	13,968	16.1	12,419	15.4	7,882	12.4
Living alone	12,680	14.6	11,330	14.0	[illegible],319	11.5

Source: U.S. Bureau of the Census, Current Population Reports, Household & Family Characteristics: March 1985 (Series P-20, No. 411)

Selected Characteristics of U.S. Households: March 1985

(Numbers in thousands)

	Number	Percent
All households	86,789	100.0%
Households with members:		
Under 18 years of age	33,358	38.4
18 to 64 years of age	73,147	84.3
65 years & over	20,128	23.2
Number of household members:		
All ages	233,516	--
Under 18 years of age	62,609	--
18 to 64 years of age	144,204	--
65 years & over	26,703	--
Race of household head:		
White, total	75,328	86.8
With members under 18	27,712	31.9
With members 65 & older	18,048	20.8
Black, total	9,480	10.9
With members under 18	4,584	5.3
With members 65 & older	1,802	2.1
Spanish origin, total (includes Blacks, Whites)	4,883	5.6
With members under 18	2,827	3.3
With members 65 & older	632	0.7
All households	86,789	100.0%
Age of householder:		
Under 25 years	5,438	6.3
25 to 29 years	9,637	11.1
30 to 34 years	10,377	12.0
35 to 44 years	17,481	20.1
45 to 54 years	12,628	14.5
55 to 64 years	13,073	15.1
65 to 74 years	10,851	12.5
75 years & over	7,305	8.4
Household size:		
1 person	20,602	23.7
2 persons	27,389	31.6
3 persons	15,465	17.8
4 persons	13,631	15.7
5 or more persons	9,703	11.2
Marital status of householder:		
Married, spouse present	50,350	58.0
Married, spouse absent	3,913	4.5
Widowed	11,348	13.1
Divorced	9,800	11.3
Single (never married)	11,377	13.1

Source: U.S. Bureau of the Census, Current Population Reports: Household & Family Characteristics: March 1985 (Series P-20, No. 411)

HOUSEHOLDS/FAMILIES

As previously noted, family households numbered 62.7 million in 1985 (72.3% of total households). The Census Bureau has developed specific information on characteristics of families, including the number with young children, and the labor force status of the 50.3 million married couple families, among other measurements.

Selected Characteristics of Family Households: March 1985
(Numbers in thousands)

	Number	Percent
All families	62,706	100.0%
With own children under 18	31,112	49.6
6 to 17 only	16,911	27.0
Some 6 to 17, some under 6	6,204	9.9
Under 6 only	7,997	12.7
Married-couple families	50,350	100.0
In labor force:		
Husband only	14,737	29.3
Husband & wife	25,014	49.6
Wife only	2,343	4.7
Neither husband or wife	8,256	16.4

Source: U.S. Bureau of the Census, Current Population Reports: Household & Family Characteristics: March 1985 (Series P-20, No. 411)

Geographic Distribution

Since the average number of persons per household in most States is similar to the national average, the distribution of households among the States is quite similar to the distribution of population. From 1980 to 1985, the estimated national increase in households was 8.8%, compared with 5.4% in resident population. The more rapid gain in households is due to changes in age structure as well as in living arrangements. From 1980 to 1985, the population 18 years of age and over, which includes virtually all householders (formerly called "household head"), increased by 7.9%, while the population under 18 declined by 1.2% and dropped from 28.1% to 26.4% of the total population.

Estimated Number of Households By Region & Geographic Division: 1980, 1985
(Numbers in thousands)

	1985	1980	% Change 1985/1980
United States, total	87,489	80,390	+ 8.8%
Northeast	18,424	17,471	+ 5.5
New England	4,671	4,362	+ 7.1
Middle Atlantic	13,753	13,109	+ 4.9
Midwest	21,689	20,859	+ 4.0
East North Central	15,189	14,654	+ 3.7
West North Central	6,500	6,205	+ 4.7

(continued)

HOUSEHOLDS/FAMILIES

Geographic Distribution

Estimated Number of Households By Region & Geographic Division: 1980, 1985
(Numbers in thousands)
(continued)

	1985	1980	% Change 1985/1980
South	29,891	26,486	+12.9
South Atlantic	14,979	13,160	+13.8
East South Central	5,448	5,051	+ 7.9
West South Central	9,464	8,276	+14.4
West	17,485	15,574	+12.3
Mountain	4,595	3,986	+15.3
Pacific	12,890	11,587	+11.2

Source: U.S. Bureau of the Census, Current Population Reports: State Population & Household Estimates to 1985 (Series P-25, No. 998)

California ranks as the leading State in terms of number of households, followed by New York, then Texas. California also leads in terms of numerical increase in households in the past five years, but Alaska was the leader in terms of percentage growth.

States Ranked by Largest Number of Households & Increase in Households: 1980-1985
(Numbers in thousands)

Rank		No. of Households 1985		Numerical Increase 1980-85		Percent Increase 1980-85
1	Calif.	9,675	Calif.	1,045	Alaska	31.2
2	New York	6,661	Texas	875	Nevada	23.3
3	Texas	5,804	Florida	768	Arizona	20.9
4	Florida	4,512	New York	320	Florida	20.5
5	Penn.	4,368	Georgia	283	Texas	17.8
6	Illinois	4,198	N. Carolina	263	Georgia	15.1
7	Ohio	3,970	Virginia	204	Colorado	14.8
8	Michigan	3,271	Arizona	200	New Mexico	14.3
9	New Jersey	2,724	New Jersey	175	New Hampshire	13.2
10	N. Carolina	2,306	Colorado	157	N. Carolina	12.9

Source: U.S. Bureau of the Census, Current Population Reports: State Population & Household Estimates to 1985 (Series P-25, No. 998)

HOUSEHOLDS/FAMILIES

Projections

In 1986, the Census Bureau published projections of the number of households and families for the years 1986 to 2000. Three different series were issued, each based on different assumptions regarding future rates of household formation and population change.

According to the highest series, the number of households in the U.S. would reach 110.2 million by July 1, 2000 -- 23.4 million more than the 86.8 million in March 1985. The lowest series anticipates a total of 102.4 million by the year 2000, or an increase of 15.7 million households. These two series show increases of 27% and 18%, respectively, over the 1985-2000 period.

Husband-wife households made up 58% of all households in 1985. In the projections for the year 2000, husband-wife households range from 47% of all households in the highest total projection (Series A) to 59% of the lowest projected total (Series C). (For further details, see: Bureau of the Census, Current Population Reports: Population Estimates & Projections: Projections of the Number of Households & Families 1986-2000 (Series P-25, No. 986).

The most important developing trend is the middle-aging of American households. According to the middle series of projections, householders aged 35 to 54 will account for the bulk of household growth in the next 15 years. Between 1985 and 1990, the nation will gain more households headed by persons age 35 to 44 than age 45 to 54, but after 1990, growth will be dominated by the older group. The number of householders 45 to 54 years of age is expected to increase by an average of 700,000 a year through the 1990's.

Beginning in the 1990's, households headed by 25-34-year olds will decline; and newlyweds will represent a dwindling share of all new households.

LIVING ARRANGEMENTS

Young Adults

Among young adults age 18 to 24 years in 1985, 60% of the men and 48% of the women lived at home with their parents (including unmarried college students living in dormitories), compared with 52% of young men and 35% of young women in 1969. The increase in young adults with this type of living arrangement has accelerated in the past five years while the proportion living in households of their own has declined.

The decline in the proportion of young men maintaining a family began in the 1970's with a drop from 30% in 1970 to 16% in 1985. The decline for young women has been occurring since 1960 when more than one-half of those age 18 to 24 were maintaining families as either household head (householder) or spouse, compared with 32% in 1985.

The proportion of "older" young adults (25 to 34 years) who live with their parents now seems to be on the rise. For men it went from 10.5% to 13.3% between 1980 and 1985; and for women stood at 8.0%, up from 6.6% in 1970.

LIVING ARRANGEMENTS

The Elderly

At age 65 to 74 years, 62% of the noninstitutional population are married and living with their spouse. About one-fourth are alone, and 11% live with relatives. A larger percentage (38%) of the population age 75 and older live alone, or with relatives (19%).

The living arrangements of men vary only slightly across the two age groups while significant differences exist for women. Because of the greater longevity of women, fewer are living with their spouse as they age. Only half of the women age 65 to 74 years lived with their husbands in 1985, and by age 75 or older the proportion declined to slightly less than one-fourth. Among women age 65 to 74 years, 35% lived alone, and this rose to 50% for women age 75 years and older. The proportion living with another relative increased from 14% to 25%.

Persons Living Alone

The aging of the baby boomers, the relative prosperity of young adults, delayed marriages, and divorce, have led to a sharp increase in the number of persons living alone. In 1985, a total of 7.9 million men lived alone -- 13.7% above the 1980 total, and more than double the number in 1970. Of the 1985 total, men age 25 to 44 accounted for 46.9%, up from 41.9% of men living alone in 1980, 26.4% in 1970.

Women living alone totaled 12.7 million in 1985, 11.9% higher than the 1980 total. In contrast with the age distribution of young men living alone, women age 25 to 44 years accounted for less than 20% of the 1985 female total, up from 16% in 1980, 9.2% in 1970. Most women living alone were age 45 and older according to the Census Bureau.

Children

Out of 62.5 million children under 18 years of age in 1984, 14.6 million (23%) lived with only one parent, compared with 9% in 1960, 12% in 1970 and 20% in 1980. Nine out of 10 children in a single-parent situation lived with the mother. Among black children, 54% versus 18% for white children and 29% for children of Spanish origin. A total of 46.1 million children under 18 lived with both parents (74% versus 85% in 1970); 1.6 million lived with someone other than a parent.

FERTILITY/BIRTHS

Two different series of government statistics cover the subject of fertility and births in the U.S. The Bureau of the Census provides data on fertility rates among women age 18 to 44, which counts the number of women who gave birth (counting multiple births and more than one birth per woman in a 12-month period as one) in relation to the total female population age 18 to 44 years.

The National Center for Health Statistics, U.S. Department of Health and Human Services, on the other hand, reports statistics on the number of children born to U.S. residents in the 15-to-44 age group.

FERTILITY/BIRTHS

The salient feature of American fertility since the mid-1970's, pointed out by the Census Bureau, is its relatively low and stable level. This is in comparison with the high levels of fertility in the baby boom years (1946-1964) which peaked in the late 1950's, and the subsequent rapid decline in fertility which continued through the early 1970's.

At the peak in 1957, the fertility rate among women 18 to 44 years measured 123 births per 1,000 women. The rate has remained between 65 and 70 births per 1,000 since 1973, and a continuation of the current low levels of fertility is expected for the near future.

Childbirth Status of U.S. Women Age 18 to 44 Years
Selected Years Ending in June -- 1976-1985
(Numbers in thousands)

	1985	1984	1982	1980	1976
Female population					
18-44 years of age, total	50,951	50,304	48,666	46,652	41,618
By age groups:					
18 - 24	14,042	14,408	14,801	14,456	13,845
25 - 29	10,746	10,644	10,286	9,419	8,864
30 - 34	10,078	9,745	9,405	8,651	7,160
35 - 39	8,859	8,575	7,838	7,144	6,064
40 - 44	7,226	6,932	6,336	5,983	5,685
Fertility rate in 12-month period ending June per 1,000 women:					
Age 18-44 years	68.6	65.8	70.5	71.1	67.2
18 - 24	95.4	86.9	88.3	96.6	93.2
25 - 29	109.2	105.5	110.7	114.8	104.8
30 - 34	69.9	72.2	73.5	60.0	56.4
35 - 39	25.9	22.7	29.4	26.9	22.6
40 - 44	7.1	5.5	10.5	9.9	6.5
Percent of female population age 18-44 years who gave birth in 12-month period ending June:					
Total, 18-44 years	6.9%	6.6%	7.0%	7.1%	6.7%
18 - 29	10.1	9.5	9.7	10.4	9.8
30 - 44	3.8	3.7	4.2	3.5	3.0
Percent of female population age 18-44 who were childless as of June:					
Total, age 18-44 years	38.1%	37.6%	38.2%	36.7%	35.1%
18 - 24	71.4	71.4	72.2	70.0	69.0
25 - 29	41.5	39.9	38.8	36.8	30.8
30 - 34	26.2	23.5	22.5	19.8	15.6
35 - 39	16.7	15.4	14.4	12.1	10.5
40 - 44	11.4	11.1	11.0	10.1	10.2

Source: U.S. Bureau of the Census: Current Population Reports, Fertility of American Women: June 1985 (Series P-20, No. 406)

POPULATION TRENDS

Fertility/Births

The Census Bureau cautions that because of sampling variability in the Current Population Survey, the fertility rate for the 12-month period ending June 1985 (68.6 per 1,000) cannot be judged to be statistically different from the 1984 rate (65.8 per 1,000), which had previously been estimated as the lowest level recorded so far in the 1980's. However, an increase is indicated.

Increases have been noted in recent years in birth rates amoung older women. However, those aged 18 to 29 have accounted for 72% of births among women 18 to 44 years of ages since 1982 (compared with over 79% in 1976, 76% in 1980).

Fertility rates in 1985 for all Hispanic women 18 to 44 years old (107.3 per 1,000), and in each age bracket, were significantly higher than for women not of Spanish origin. An estimated 410,000 Hispanic women had a birth in the 12-month period prior to June 1985, representing 11.7% of all births reported, even though Hispanic women 18 to 44 constituted only 7.5 of the total female population in this age group.

The rates for black women 18 to 44 years were higher than noted among white women (76.4 and 66.9 per 1,000, respectively), but they did not have consistently higher rates in all age groups. Among women age 18 to 24, the rate for black women was 129.1 vs. 89.8 among white women. The pattern was reversed among women age 25 to 29 years: for white women; 113.1 per 1,000; for black women: 85.0 per 1,000. Among women 30 and over, no significant difference in fertility was found between the two races.

Overall, 39% of the 18-to-44-year old women who had a birth in the period ending June 1985 reported it was their first birth -- about the same percentage reported in 1980. A notable development has been the growth in the percentage of recent mothers who are in the labor force -- 48 percent in June 1985 compared with 38% in 1980 and 31% in 1976. Large increases were noted both for women age 18 to 29 and those age 30 to 44 years.

Among women in the labor force who gave birth in 12-month reporting periods, a higher percentage in all age groups reported first births rather than second or higher order births, as might be expected. Overall, of women reporting a first birth in the year ending June 1985, 53% were in the labor force.

The great increase in the number of working mothers and the fact that so many babies are first-borns requiring new wardrobes, equipment and supplies rather than hand-me-downs, as well as more emphasis on gifts from relatives and friends, has had a big impact on baby business. Even as total births wane, these factors will remain a strong factor in the market.

On the other hand, the growing number of childless couples, which have distinct spending patterns, as well as about one-fifth more money to spend than couples with children, has been a major factor in the growth in sales of high-quality goods, luxury items, recreation and entertainment. According to a report in American Demographics, the number of young, childless couples increased 75% between 1968 and 1985, while the number of young couples with children increased by only 8%.

In the future, the decision of young couples to postpone having children may be affected more by economic necessity than the desire for the good life. The high level of debt caused by record borrowing to meet college expenses, now noted amoung young people is a cause for concern. A recent Congressional report indicated that a third to a half of undergraduates are heavily in debt as they leave school and enter their lowest earning years.

Women Who Gave Birth in Selected Years Ending June -- 1976-1985

	1985	1984	1982	1980	1976
Total number of women who gave birth in 12 months ending June (thousands)*	3,497	3,311	3,433	3,247	2,797
Age distribution:					
Total, 18-44 years	100.0%	100.0%	100.0%	100.0%	100.0%
18-24	38.3	37.8	38.1	43.0	46.2
25-29	33.5	33.9	33.2	33.3	33.2
30-34	20.1	21.2	20.1	16.0	14.4
35-39	6.6	5.9	6.7	5.9	4.9
40-44	1.5	1.2	1.9	1.8	1.3
Percent of total who are in the labor force:					
Total, 18-44 years	48.4	46.7	43.9	38.0	31.0
18-29	47.9	44.5	42.5	38.2	31.8
30-44	49.6	52.2	47.5	37.3	27.6

* The number of children born in each 12-month period is of course larger due to multiple births and to the fact that some women may have given birth more than once in a 12 month period (but are counted only once in the above table).

Source: U.S. Bureau of the Census: Current Population Reports, Fertility of American Women: June 1985 (Series P-20, No. 406)

Based on current trends in greater educational attainment among women workers, increasing age at first marriage and first birth, and their upward mobility based on occupation, a continuance in the trend among women to return to work quite quickly after childbirth is expected. This will have an impact on future birth totals and indicates a continuation in the trend to the one-child household.

Birth Totals

The annual total of births in the U.S. took an upward turn following a 15-year decline between 1960-1975, leveling off at about 3.7 million in recent years. However, this is far below the 4,332,000 babies born in 1957, the peak year of the boom. The increase in births in the 1980's is a reflection of larger numbers of women of childbearing age rather than an increase in fertility rates (births per 1,000 women age 15 to 44). After this year, a downturn is expected in birth totals. The general fertility rate in 1985 was 66.1, which was 25% below the 1970 rate of 87.9, 46% below the 1957 rate of 122.7.

Birth Totals (continued)

Trends in Births & Fertility Rates: 1970-1985
(Adjusted for Underregistration of Births)

Calendar Year	Births* (thousands)	General Fertility Rate (Births per 1,000 Women Age 15-44)**
1985	3,750	66.1
1984	3,690	66.0
1983	3,639	65.8
1982	3,681	67.3
1981	3,629	67.4
1980	3,612	68.4
1979	3,494	67.2
1978	3,333	65.5
1975	3,144	66.0
1970	3,739	87.9

* Includes births among U.S. Armed Forces overseas.
**Fertility rates are based on births among the resident U.S. population.

Source: U.S. Bureau of the Census: Current Population Reports, Estimates of the U.S. Population & Components of Change (Series P-25, No. 990)

In the 12 months ending October 1986, there were a total of 3,718,000 live births in the U.S., down about 1% from the total reported for the same 1985 period, according to provisional data from the National Center for Health Statistics. This source reported the fertility rate at 64.8 and the birth rate per 1,000 population at 15.5 in the 1986 period. Each of these rates were 2% below rates in the comparable period ending October 1985 (66.3 and 15.8, respectively).

What demographers refer to as the "birth dearth" actually began in 1972, when the total fertility rate, which measures the number of children the average women bears, fell below the 2.1 rate necessary to retain a stable population (although the population has continued to grow due to the baby boom crop of women of child-bearing age).

But the number of young women age 16 to 29 years is diminishing, and will continue to do so until 1997 because of the low birth totals in the 1970's. At the same time, it is expected that birth rates among women under 30, who typically account for over 70% of U.S. births, will remain low. The combination of modern contraceptive techniques and postponement or foregoing childbirth by women who wish to take advantage of the benefits from working are all important factors for a continued low level in the fertility rate in coming years.

FERTILITY/BIRTHS

Birth Order

As the number of births turns downward, the good news for marketers lies in the fact that a high percentage of new-borns are first babies -- currently about 42% -- requiring a greater outlay for the nursery and its occupant than needed for subsequent arrivals. It has been estimated that parents spend only 69% as much on a second child as they do on a first child. In addition, there has been a marked increase in the percent of first-borns who have mothers age 30 years or older (up from 4% in 1971 to 13% currently), and these mothers are more affluent than younger mothers. The pattern in making-up for delayed childbearing appears to have intensified as the first-birth rate shows a rapid increase among women age 35 to 39 years -- even more than for women age 30 to 35 years.

Live-Birth Order -- Percent of Total Births in Selected Years, 1972-1984

	1984	1983	1979	1972
Total live births	100.0%	100.0%	100.0%	100.0%
Birth order:				
First	41.7	42.1	42.3	39.6
Second	33.0	32.6	32.0	28.5
Third	15.3	15.2	15.1	14.1
Fourth & higher	9.5	9.6	10.7	15.0
Not stated	0.5	0.5	--	2.8

Source: U.S. Dept. of Health & Human Services, National Center for Health Statistics: Advance Report of Final Natality Statistics, 1984 (July 18, 1986)

Sex Ratio In Births

The sex ratio at birth in 1984 was 1,050 males per 1,000 females, slightly below the ratio of 1,052 observed in 1983. Since 1967, there has been little annual variation in the sex ratio, with a range of 1,050 to 1,055 in this period.

Since the mid-1960's, the ratio for whites has ranged from 1,053 to 1,059; among blacks, it has ranged from 1,024 to 1,033 males per 1,000 females since 1970.

Monthly Pattern in Births

The pattern in births in the U.S. is very consistent over the years. The peak months are July, August and September. Fertility rates are higher in the last six months of the year than in the first six months.

Percent Distribution of Registered Live Births By Months, 1982-1984

	1984(r)	1983	1982
Birth total	100.0%	100.0%	100.0%
January	8.0	8.2	8.1
February	7.7	7.6	7.5
March	8.3	8.5	8.3
April	7.8	8.1	7.9
May	8.2	8.3	8.3
June	8.1	8.4	8.4
July	8.9	8.7	8.9
August	9.1	8.9	8.9
September	8.9	8.6	8.9
October	8.7	8.4	8.5
November	8.1	8.0	8.0
December	8.2	8.2	8.2

(r) revised

Source: U.S. Department of Health & Human Services,
National Center for Health Statistics

Ages of Fathers of New-Borns

In 1984 the birth rate for men declined for the second consecutive year, to 55.0 births per 1,000 men aged 15-54 years compared with 55.3 in 1983. The rate for white men dropped from 51.5 in 1983 to 51.2 in 1984; for black men, from 78.0 to 77.6. Consistent with the pattern noted previously on delayed parenting, increases in birth rates have been reported for older men 40 to 54 years of age, particularly those aged 35-44 years.

Educational Attainment of Parents of New-Borns

In 1984, 79% of mothers and 85% of fathers of new-born children had graduated from high school (with the latter figure possibly overstated as it is based primarily on married fathers). In 1984 and in 1983, 16% of the mothers had graduated from college.

Mothers aged 30-34 had the highest level of educational attainment. The median number of years of schooling for mothers in their early thirties was 14.2; for those aged 35-39 years, the median was 14.0 years, higher in both cases than in 1983.

A disparity exists between black mothers and white mothers on educational attainment. In 1984, 82% of white mothers vs. 67% of black mothers had completed high school. Among white mothers, 18% had completed college compared with 7% of the black mothers.

FERTILITY/BIRTHS

Regional Variations in Birth Totals

Marketers of baby products, services, and maternity wear, as well as young children's products, should focus on the South and Midwest, which accounted for 34.3% and 25.5%, respectively, of total births reported in the five year period 1980-1984. Within the Midwest Region, the East North Central States (Ohio, Indiana, Illinois, Michigan and Wisconsin) accounted for the largest segment (17.7%) of total births reported for any geographic division, followed by the Pacific division (Washington, Oregon, California, Alaska, and Hawaii), with 15.6%.

Number of Births By Region & Division, 1980-1984
(In thousands)

	Number	Percent
Total births, 1980-1984	15,461	100.0%
Northeast	2,837	18.3
New England	704	4.5
Middle Atlantic	2,133	13.8
Midwest	3,929	25.4
East North Central	2,732	17.7
West North Central	1,197	7.7
South	5,308	34.3
South Atlantic	2,364	15.3
East South Central	977	6.3
West South Central	1,967	12.7
West	3,388	21.9
Mountain	982	6.3
Pacific	2,406	15.6

Source: U.S. Bureau of the Census: State Population Estimates, By Age & Components of Change: 1980-1984 (Series P-25, No. 970)

Data from the National Center of Health Statistics shows a wide variation in fertility rates per 1,000 women age 15-44 by state and region. In 1984, the highest rate was 101.9 (Utah); the lowest, 55.2 (Massachusetts)

Live Births By Race of Child, Birth Rates & Fertility Rates, 1984
U.S. & Nine Geographic Regions

	Number (thousands)			Birth	Fertility
	Total*	White	Black	Rate**	Rate**
U.S. total	3,669.1	2,923.5	592.7	15.5	64.4
New England	172.2	156.4	12.2	13.7	56.7
Middle Atlantic	509.5	402.2	94.4	13.7	58.5
East North Central	627.1	518.9	97.8	15.1	63.9
West North Central	274.2	246.0	19.2	15.7	68.5
South Atlantic	575.8	402.2	163.5	14.6	61.5
East South Central	221.4	159.1	60.5	14.7	62.6
West South Central	469.8	370.9	84.9	17.9	75.2
Mountain	231.8	206.3	7.9	18.4	77.0
Pacific	587.4	461.4	52.5	17.1	70.5

* Includes races other than White and Black.
**Birth rates per 1,000 estimated total population in each area; fertility rates per 1,000 women aged 15-44 years in each area.

Source: National Center For Health Statistics: Advance Report of Final Natality Statistics, 1984

SCHOOL ENROLLMENT

Preprimary School

An important development for marketers of children's wear has been the great growth in nursery school and kindergarten enrollment. Two factors have contributed: first, the increase in birth totals in most years since 1978 -- reversing the birth-dearth years in the 1960's and early 1970's; second, the great expansion in the number of mothers of young children who are in the labor force and who look to schools to provide child-care. The level of births in recent years, as well as women's labor-force participation rates, indicate that preprimary school enrollment will continue to grow for the next few years, then start to decline as birth totals dip.

In 1985, 2.5 million children were enrolled in nursery school, 25% more than the 2.0 million enrolled in 1980. Of the total population age 3 and 4, 39% were enrolled, up from 31% in 1975 and 11% in 1965. Girls outnumber boys in nursery school (but not in the total population ages 3 and 4).

Population gains among 5-year olds have led to a significant increase in kindergarten enrollment in the last two years. The latest count, for 1985, showed a total of 3.8 million kindergarten students, a gain of 9.5% compared with 1984. The enrollment rate for this age was 94% in 1985 compared with 80% in 1970. (Rates in the past increased, but the number of 5-year-olds in the population was decreasing from the late 1960's through 1970's. Now both trends are in the same direction).

Enrollment in Nursery School & Kindergarten: 1980, 1985
(Numbers in thousands)

	1985	1980	% Change 1985/1980
Number Enrolled			
Preprimary school, total	6,306	5,163	+ 22.1%
Nursery school, total	2,491	1,987	+ 25.4
Public	854	633	+ 34.9
Private	1,637	1,354	+ 20.9
Kindergarten, total	3,815	3,176	+ 20.1
Public	3,221	2,690	+ 19.7
Private	594	486	+ 22.2
Percentage of Children Enrolled in School			1970
Age 3 and 4 years	38.9%	36.7%	20.5%
Age 5 and 6 years	96.1	95.7	89.5

Source: U.S. Bureau of the Census, Current Population Reports: Population Characteristics (Series P-20, No. 409) Sept. 1986

Elementary School & High School

Enrollment in elementary school peaked in 1970, at 33,950,000; then went into a steady decline until 1984, leveling off in 1985, following the trends in population counts among school-age children. In 1985, 26,866,000 pupils were in the Nation's elementary schools, just 28,000 more than in 1984. Enrollment will continue to pick up as a result of the increase in birth totals in recent years.

Elementary School & High School (continued)

It will be some years, however, before significant increases are noted in the number of high school students. The total in 1985 was 13,979,000, which was 11% below the 1977 peak when 15,753 students were counted.

Enrollment in Elementary School & High School: 1980, 1985
(Numbers in thousands)

	1985	1980	% Change 1985/1980
Elementary school, total	26,866	27,449	- 2.1%
Public	23,803	24,398	- 2.4
Private	3,063	3,051	+ 0.4
High school, total	13,979	14,556	- 4.0
Public	12,764	13,249*	- 3.7
Private	1,215	1,100*	+ 10.4

* Year 1981 (1980 not available)

Source: U.S. Bureau of the Census, Current Population Reports: Population Characteristics (Series P-20, No. 409) Sept. 1986

College

The period 1965-1975 was marked by a great growth in the number of college students as a result of the "baby boom" years. Growth after 1975 has been mainly among older students, age 25 to 34 years, and older. Women have become a larger proportion of college students, as have Blacks. Part-time students account for a bigger share of college enrollment than 10 years ago (about 29% in 1985 vs. 27% in 1975). A recent Federal government study shows that fewer than half of all students get their college degrees four years after graduating from high school.

Paving their way into better paying occupations, in 1985, women earned 30% of all medical degrees, up from 13% in 1975; 21% in dentistry (up from 3%); 38% in law (up from 15%). Of women entering college in the fall of 1985, 28% chose business as their major -- the most popular field for both men and women.

Enrollment in College: 1980, 1985
(Numbers in thousands)

	1985	1980	% Change 1985/1980
College, total	10,863	10,180	+ 6.7%
Full time	7,720	7,147	+ 8.0
% of total	71.1%	73.3%	--
Public	7,131	6,754*	+ 5.6
Private	2,203	2,229	- 1.2

* Year 1981 (1980 not available)

Source: U.S. Bureau of the Census, Current Population Reports: Population Characteristics (Series P-20 No. 409) Sept. 1946

SCHOOL ENROLLMENT

College (continued)

The level of college student enrollment in high tech courses needed to provide the skilled force required if the U.S. is to maintain its competitive position is currently of concern to economists, as it is reported that half the students enrolled in U.S. technical colleges (graduate courses) are foreign students. A "brain drain" is seen in the influx of young Americans into careers in finance and law, rather than technology.

Total, All Students

Estimated Number of Persons 3 to 34 Years Old Enrolled in School, By Age & Sex: 1985

Age	Male		Female	
	Number (thous.)	Percent*	Number (thous.)	Percent*
3 & 4 years	1,298	36.7	1,395	41.2
5 & 6 years	3,221	95.3	3,129	97.0
7 to 13 years	12,088	99.2	11,537	99.3
14 to 17 years	7,169	95.4	6,801	94.5
18 & 19 years	2,075	52.2	2,061	51.0
20 & 21 years	1,467	36.5	1,443	34.1
22 to 24 years	1,157	18.8	970	15.1
25 to 34 years	1,471	14.8	1,618	15.9

* Percent of total civilian population in each age group.

Source: Based on the Census Bureau reports

EDUCATIONAL ATTAINMENT

The latest available Census Bureau reports show that, as of March 1984, 73% of the U.S. population had completed at least four years of high school compared with 55% in 1970. Among those age 25 or older, 35% had one or more years of college, 19% were college graduates.

Figures for March 1985 show that of all heads (householders) in family households, 20% (12.8 million) had four or more years of college; 16.1% (10.1 million) had one to three years of college; about 37% were high school graduates (23.2 million); 13.1% (8.2 million) had had one to three years of high school.

LABOR FORCE, EMPLOYMENT, EARNINGS

Labor Force

Great changes have occurred in the size and composition of the nation's labor force since 1970 -- reflecting the changing age distribution of the population and the influx of women into the labor market. The labor force expanded at an extraordinary 2.6% annual rate in the 1970's, according to the Bureau of Labor Statistics, but the rate of growth slowed to an average 1.5% from 1980 to 1984. Looking beyond that year, the BLS has compiled a series of three projections on the outlook through 1995, based on different assumptions regarding the economy and population growth. The middle range of the three projections anticipates a continued decline in the rate of growth of the labor force, with an annual average of 1.3% from 1984 to 1990, and 1.0% from 1990 to 1995, due to lower birth totals.

LABOR FORCE, EMPLOYMENT, EARNINGS

Labor Force

There is variation in the expected rate of change for different age groups. The number of workers under age 25 actually fell by 1.7 million from 1980 to 1985, and they will register another 3.5 million decrease by 1995. A shortage of younger workers will cause problems for some employers in coming years, even though this group's unemployment rates have been much above the norm. Another development affecting labor force size, especially in the Southwest, will result from the passage in October 1986 of a new immigration law banning (except for farm workers under specified conditions) the hiring of illegal immigrants, variously estimated to now total from three million to six million people. Both of these developments can be expected to have an impact on labor costs.

Average Annual Rate of Change in the Size of the Civilian Labor Force

	1970-75	1975-80	1980-84	1984-90*	1990-95*
Total, 16 years & over	2.5	2.7	1.5	1.3	1.0
Men	1.9	1.8	1.0	0.8	0.6
16 to 24	4.9	1.9	-1.7	-2.2	-1.1
25 to 54	1.7	2.0	2.2	2.2	1.3
55 & over	-0.8	0.4	-0.9	-1.8	-0.9
Women	3.5	4.0	2.2	1.9	1.5
16 to 24	4.8	2.7	-0.9	-1.8	-0.9
25 to 54	3.7	5.9	3.8	3.4	2.4
55 & over	0.6	1.9	0.8	-0.8	-0.1
White	2.4	2.5	1.3	1.1	0.9
Black	na	3.2	2.6	2.1	1.7

na not available
* Middle of a series of three projections by the BLS.

Source: U.S. Bureau of Labor Statistics:
Monthly Labor Review, November 1985

The latest annual summary on the composition of the labor force is for the year 1985. How this compares with 1975, and BLS projections for the year 1995, for men and for women, is summarized below. The projection for 1995 is the middle of three projections made by the BLS.

Civilian Labor Force By Sex & Age, 1975, 1985 & Middle Growth Projection for 1995

	Labor Force (thousands)			% Inc.	% of Population in the Labor Force		
	1975	1985	1995	1985/75	1975	1985	1995
Total, 16 years & over	93,775	115,461	129,168	+23.1	61.2	64.8	66.6
Men, total	56,299	64,411	69,282	+14.4	77.9	76.3	75.3
16 to 19	4,805	4,134	3,750	-14.0	59.1	56.8	57.9
20 to 24	7,565	8,283	6,790	+ 9.5	84.5	85.0	87.3
25 to 34	14,192	18,808	18,247	+32.5	95.3	94.7	93.7
35 to 44	10,398	14,506	19,232	+39.5	95.6	95.0	94.3
45 to 54	10,401	9,870	13,721	- 5.1	92.1	91.0	90.4
55 to 64	7,023	7,060	6,119	+ 0.5	75.6	67.9	62.6
65 & over	1,914	1,750	1,423	- 8.6	21.6	15.8	11.0

(continued)

LABOR FORCE, EMPLOYMENT, EARNINGS

Labor Force

Civilian Labor Force By Sex & Age, 1975, 1985 & Middle Growth Projection for 1995

	Labor Force (thousands)			% Inc.	% of Population in the Labor Force		
	1975	1985	1995	1985/75	1975	1985	1995
Women, total	37,475	51,050	59,886	+36.2	46.3	54.5	58.9
16 to 19	4,065	3,767	3,307	- 7.3	49.1	52.1	51.2
20 to 24	6,185	7,434	6,316	+20.2	64.1	71.8	76.3
25 to 34	8,673	14,742	16,168	+70.0	54.9	70.9	81.1
35 to 44	6,505	11,567	16,943	+77.8	55.8	71.8	80.5
45 to 54	6,683	7,452	11,408	+11.5	54.6	64.4	71.3
55 to 64	4,323	4,932	4,695	+14.1	40.9	42.0	42.7
65 & over	1,042	1,156	1,049	+10.9	8.2	7.3	5.5
White	82,831	100,090	110,086	+20.3	61.5	64.9	66.8
Black	9,263	12,445	14,796	+34.3	58.8	62.8	65.8

Source: Bureau of Labor Statistics: Monthly Labor Review (November 1985); Employment & Earnings (January 1986)

Labor force representation of older workers, in general, is projected to drop substantially through 1995. For those 65 and over, rates have dropped for the entire century. Among those 55 to 64, the drop is a post-World War II phenomenon, due in great part to the expansion of pension coverage. However, there are indications that some large employers may be rethinking the desirability of their early retirement plans, and, too, a growing number are finding it advantageous to rehire retirees. These developments, and the growth in the use of temporary or part-time workers, and the diminishing supply of young workers, may change the pattern in labor force participation among older people.

Women in the Labor Force

In terms of age, the peak rate of participation in the labor force for women is in their late twenties; for men, in their early thirties. Looking ahead, participation in the labor force is expected to increase for younger women, but not for women over age 55, where the rate is expected to drop from 23% in 1975 to 19% by 1995 (according to middle projections by the BLS).

Among White women in the 30-to-45 age bracket the rate of labor force participation is expected to continue to increase over the next decade. These women and their spouses will have reached a point in their working lives when their earnings level off, and they will have to increase their time in the labor force if they are to maintain their living standard.

In 1975, just under 40% of the total labor force was composed of women; in 1985, 44.0%. This share is expected to grow to 46.4% by 1995. Up to 1990, according to the BLS, women will account for about 64% of the total growth in the size of the labor force; then the percent should start to fall as their participation rate slows.

LABOR FORCE, EMPLOYMENT & EARNINGS

Employment & Earnings Trends

A joint Economic Committee of Congress report released in December 1986 underscores the shift in employment in the U.S. to service-sector jobs -- a trend which Department of Labor projections indicate will continue to the end of this century. According to the Committee report, a net total of eight million new jobs was created from 1979 to 1984, but more than half paid less than $7,000 due to the heavy concentration in service jobs.

A Conference Board analysis looks for the economy to generate two million jobs in 1987, with about 90% of them in the service sector, and only 10% in goods-producing industries. Under pressure from competition from foreign producers, as well as developments in technology, manufacturer-related employment in 1986, averaging 19,187,000, accounted for 19.1% of total employees on nonagricultural payrolls, according to the Bureau of Labor Statistics. In 1980, manufacturing represented 22.4% of employment; in 1975, 23.8%. Service producing employment, on the other hand, accounted for 75.1% of the total in 1986; 71.6% in 1980; 70.6% in 1975.

The average national wage for manufacturer workers is about $9.86 an hour. Service workers generally average 85% of manufacturer wages, although within the service sector there is a wide range in the wage scale, from $11.76 an hour in transportation and public utilities down to $8.32 in business services; $6.05 in retail trade. In general, the increase in service jobs has been on the low end of the wage scale. A Federal Reserve Bank of Boston report shows that 41% of service workers now earn less than $15,000 a year.

Distribution of Manufacturing Jobs & Service Jobs By Annual Earnings: 1986

Annual Earnings	Manufacturing	Service
Less than $15,000	28%	41%
$15,000 - $29,999	46	39
$30,000 or more	26	20
Total	100	100

Source: Economics Dept., Federal Reserve Bank of Boston

A growing demand for sophisticated services, requiring knowledge and skill; a more experienced service-worker supply, and hopefully improved productivity may help raise the level of service worker earnings. The future course is uncertain.

The Bureau of Labor Statistics compiled projections on employment in the U.S. in 1985, covering the outlook through 1995, covering three series, based on low, moderate and high macroeconomic assumptions. The moderate series looks for total employment to reach 123 million in 1995, 16 million more jobs than in 1984. Almost 9 out of every 10 of these new jobs will be added in a service-producing industry (transportation, communications, public utilities, trade, finance, insurance, real estate, miscellaneous services and government); the remainder in goods-producing jobs (manufacturing, construction, mining and agriculture).

Employment & Earning Trends (continued)

Broad changes are anticipated in the occupational structure of U.S. employment, which will have an effect on earnings. Blue-collar occupations are expected to decline over the 1984-1995 period. Executive, administrative and managerial workers are projected to increase by 22% compared with the 15% growth rate expected or total employment. Sales workers and service workers will increase from about 25% of the work force to over 35% in the 10-year period, however.

Total Civilian Employment By Broad Occupational Groups, 1984 & Projected 1995

	1984	1995	% Change in Number 1995/1984
Total employment (thousands)	106,842	122,760	+ 14.9
Percent	100.0%	100.0%	
Executive, administrative, managerial	10.6	11.2	+ 22.1
Professional workers	12.0	12.7	+ 21.7
Technicians & related support workers	3.0	3.4	+ 28.7
Salesworkers	10.5	19.9	+ 19.9
Administrative support workers, excluding clerical	17.5	16.7	+ 9.5
Service workers, except household	14.6	15.4	+ 21.3
Private household workers	0.9	0.7	- 18.3
Precision production, craft, repair workers	11.4	11.1	+ 11.7
Operators, fabricators, laborers	16.2	15.2	+ 7.3
Farming, forestry, fishing workers	3.3	2.8	- 3.0

Source: U.S. Bureau of Labor Statistics, Monthly Labor Review (Nov. 1985)

A factor in the growth in lower paying jobs has been the increase in part-time and temporary employment. Part-time workers numbered almost 21 million in 1986, representing 19% of total employment compared with 14% in 1975. Most (65%) of the part-time workers are women. Part-time work is a matter of choice for over nine out of 10 part-timers, many of whom may hold more than one job. Among women workers, 28% were working part-time in 1986 -- and 95% of these were part-timers by choice.

The total number of what are called "contingent workers" -- including part-timers, temporary workers, and the self-employed -- is currently estimated at about 30 million.

Current Employment

Employment Status of the Noninstitutional Population 16 Years & Over: 1980, 1986

(Annual average numbers in thousands)

	1986			1980		
	Total	Men	Women	Total	Men	Women
Population, total	182,293	87,349	94,944	169,349	80,877	88,472
In labor force (number)	119,540	66,973	52,568	108,544	62,932	45,611
Percent of population	65.6%	76.7%	55.4%	64.1%	77.8%	51.6%
Total employed	111,303	62,443	48,706	100,907	58,665	42,117
Civilian employment	109,597	60,892	48,054	99,303	57,186	41,461
Unemployed	8,237	4,530	3,707	7,637	4,267	3,370
Percent of labor force	6.9%	6.8%	7.1%	7.0%	6.8%	7.4%
Not in labor force	62,752	20,376	42,376	60,806	17,945	42,861

Source: U.S. Bureau of Labor Statistics

Women now hold about 44% of all jobs against 29% in 1950, according to a report just issued by the Council of Economic Advisers. However, women's average hourly pay is no higher in relation to men's than it was in the mid-1950's. In 1939, women were paid 58% as much as men, 64% in the mid-1950's, 58% again a decade later, now back to 64%. Younger women entering the work force, however, earn about 86% of what men do in comparable situations. Measured in constant 1985 dollars, women's average annual earnings rose from $11,000 in 1955 to $15,500 in 1973, fell to $14,500 by 1981 but rose to $16,000 in 1986.

Full- and Part-Time Employment By Sex and Age: 1986

(Numbers in thousands)

	Full-Time*			Part-Time**		
	Total	Men	Women	Total	Men	Women
Total, age 16 years & over	90,529	54,685	35,845	19,069	6,207	12,862
16 to 19 years	2,400	1,367	1,033	4,073	1,955	2,118
20 to 24 years	10,892	6,050	4,844	2,898	1,201	1,696
25 to 54 years	66,276	40,231	26,044	8,735	1,680	7,055
55 years and over	10,959	7,037	3,923	3,364	1,371	1,993

* Full-time employment numbers include workers who normally work full-time schedules but were employed part-time for economic reasons.
**Not including workers counted in accordance with above note (*).

Source: U.S. Bureau of Labor Statistics

Employment Status of Person in Families By Family Relationship: 1986

(Numbers in thousands)

	Civilian Labor Force					
	Total	% of Population	Employed	Unemployed Number	Unemployed %	Not in Labor Force
Total, 16 years & over*	96,304	65.8%	89,478	6,826	7.1	50,115
Husbands	39,423	78.5	37,775	1,648	4.2	10,812
With employed wife	24,068	91.7	23,173	890	3.7	2,184
Wives	27,605	55.0	26,247	1,357	4.9	22,631
With employed husband	24,255	64.2	23,173	1,082	4.5	13,520

(continued)

Current Employment

Employment Status of Person in Families By Family Relationship: 1986
(Numbers in thousands)
(continued)

	Civilian Labor Force					
	Total	% of Population	Employed	Unemployed Number	Unemployed %	Not in Labor Force
Relatives in married-couple families:						
16 to 19 years old	5,291	54.9	4,478	814	15.4	4,347
20 to 24 years old	5,199	78.4	4,636	563	10.8	1,436
25 years and over	3,327	65.0	2,970	357	10.7	1,789
Women who maintain families	6,394	61.7	5,763	631	9.9	3,970
Men who maintain families	1,933	76.7	1,777	156	8.1	589

* Excludes persons living alone or with nonrelatives, persons in married-couple families where the husband or wife is in the Armed Forces, and persons in unrelated subfamiles.

Source: U.S. Bureau of Labor Statistics

Arizona, Tennessee, Nevada and Florida are leading the Nation in producing new jobs, while 11 states with economies dependent on energy or agriculture have fewer people at work than a year ago, according to the BLS. States losing over 2% of their jobs over the previous 12 months included Alaska, Idaho, Louisiana, Montana, Oklahoma and Wyoming. The lowest unemployment rates are in four New England States: New Hampshire (2.4%), Connecticut and Rhode Island (3.3% each) and Massachusetts (3.4%).

Average Hourly & Weekly Earnings of Production or Nonsupervisory Workers On Private Nonagricultural Payrolls: December 1985, 1986

	Average Hourly Earnings		Average Weekly Earnings	
	Dec. 1986	Dec. 1985	Dec. 1986	Dec. 1985
Total private	$ 8.85	$ 8.71	$ 308.87	$ 306.59
Mining	12.64	12.27	533.41	537.43
Construction	12.71	12.47	470.27	460.14
Manufacturing	9.86	9.74	411.16	406.16
Durable goods	10.44	10.34	442.66	439.45
Nondurable goods	9.05	8.87	368.34	359.24
Selected types:				
Textile mill products	7.12	6.83	301.18	283.45
Apparel & related prods.	5.86	5.80	219.75	215.18
Transportation & public utilities	11.76	11.61	460.99	460.92
Wholesale trade	6.02	5.99	176.99	178.50
Finance, insurance, real estate	8.56	8.15	310.98	298.11
Services	8.31	8.12	269.24	266.33

Source: U.S. Bureau of Labor Statistics

LABOR FORCE, EMPLOYMENT & EARNINGS

Employment By Occupation

As of November 1986, the number of women employed in managerial and professional specialties totaled 11,524,000, representing 38.6% of all female employment in nonfarm, civilian occupations, and about 44% of total employment in this job classification. In 1984, employment of women in managerial and professional specialties averaged 10,329,000, representing 22.5% of female employment, and 41.5% of all employment in this classification.

Following is a summary of employment by occupations as of November 1986 compared with November 1985.

Employment By Occupation: November, 1985, 1986
(Numbers in thousands)

	Total	Men	Women
Total, age 16 and over*	103,679	56,300	47,379
Managerial, professional	26,328	14,804	11,524
Executive, administrative, managerial	12,460	7,734	4,727
Professional specialty	13,867	7,071	6,797
Technical, sales, admin. support	33,776	11,844	21,931
Service occupations	14,223	5,606	8,623
Precision production, craft, repair	13,018	11,935	1,083
Operators, fabricators, laborers	16,334	12,116	4,218

* Excludes farming, forestry and fishing occupations.

Source: U.S. Bureau of Labor Statistics

INCOME/WEALTH

Personal Income/Outlay Profile

Personal income in 1986 amounted to $3,487 billion, according to preliminary data, representing an increase of 5.2%, following the 6.6% rise in 1985 compared with 1984. Personal outlays rose 6.4% after a 7.3% rise. Adjusted for inflation, disposable personal income increased 3% after the 2.3% rise in 1985. The spending spree toward the end of the year, spurred by the repeal of sales tax deductions effective in 1987, brought the savings rate to only 3.9% of after-tax income -- the lowest level since 1947's 3.1% rate, and comparing with the 5.1% rate in 1985. The low level of consumer savings, plus the high level of debt, and slower growth in earnings indicate a slowdown in consumer spending in 1987.

In the overall profile of income, it is noted that wages and salaries are accounting for a diminishing share of personal income. They represented 59.5% in 1986, down from 60.7% in 1980, 66.3% in 1970. However, within this framework, service industry wage/salary share rose to 16.2% in 1986 from 15.6% in 1985 and 13.5% in 1980.

Personal interest income's share of total income dropped to 13.6% in 1986, down from 14.4% in 1985; while dividend income held at 2.3%. The drop in interest rates is affecting buying power of many older citizens who rely on this source of income to a greater extent than younger consumers.

INCOME/WEALTH

Personal Income/Outlay Profile

Personal Income by Source & Outlays: 1980, 1985, 1986
(Billions of current dollars, except where noted)

	1986(p)	1985(r)	1980	% of Total		
				1986	1985	1980
Personal income	$3,487.0	$3,314.5	$2,258.5	100.0	100.0	100.0
Wages & salaries	2,073.8	1,966.1	1,372.0	59.5	59.3	60.7
Commodity-producing inds.	623.3	607.7	470.7	17.9	18.3	20.8
Manufacturing	471.3	460.1	355.6	13.5	13.9	15.7
Distributive industries	488.0	469.8	335.5	14.0	14.2	14.8
Service industries	566.8	516.4	305.6	16.2	15.6	13.5
Government & government enterprises	395.7	372.2	260.2	11.3	11.2	11.5
Other labor income	208.8	196.9	138.4	6.0	5.9	8.7
Proprietors' income*	278.9	254.4	180.7	8.0	7.7	11.3
Rental income of persons*	15.6	7.6	6.6	0.4	0.2	0.3
Personal dividend income	81.2	76.4	52.9	2.3	2.3	2.3
Personal interest income	475.4	476.2	271.9	13.6	14.4	12.0
Transfer payments**	513.7	487.1	324.7	14.7	14.7	14.4
Less: Personal contributions for social insurance	160.3	150.2	88.6	4.6	4.5	3.9
Personal tax & non-tax payments	513.4	486.5	340.5	14.7	14.7	15.1
Equals: Disposable personal income	2,973.7	2,828.0	1,918.0	85.3	85.3	84.9
Less: Personal outlays	2,857.4	2,684.7	1,781.1	81.9	81.0	78.9
Personal consumption expenditures	2,762.4	2,600.5	1,732.6	79.2	78.5	76.7
Interest paid by consumers to business	93.6	82.6	47.4	2.7	2.5	2.1
Personal transfer payments to foreigners (net)	1.4	1.6	1.1	#	#	#
Equals: Personal saving	116.3	143.3	136.9	3.3	4.3	6.1
Addenda:						
Disposable personal income:						
Total, billions of 1982 dollars	2,603.7	2,528.0	2,214.3	--	--	--
Per capita:						
Current dollars	12,312	11,817	8,421	--	--	--
1982 dollars***	10,780	10,563	9,722	--	--	--
Population (millions)	241.5	239.3	227.8	--	--	--
Personal saving as a % of disposable income	3.9	5.1	7.1	--	--	--

(p) preliminary
(r) revised
* Inventory valuation and/or capital consumption adjustments are included.
** Transfer payments include old-age, survivors', disability and health insurance benefits; government insurance benefits, etc.
*** Disposable income in 1982 dollars equals the current-dollar figure divided by the implicit price deflator for personal consumption expenditures.
# Less than 0.1%

Source: U.S. Department of Commerce, Bureau of Economic Analysis

INCOME/WEALTH

Personal Income/Outlay Profile

Pending tax changes spurred spending on cars in 1986. Excluding these sales, retail sales were up 4.5% after adjustment for inflation. This rate, according to a consensus among economists and securities analysts, may slow to something less than 3% in 1987, rising not more than 4%. Record high personal debt, slower income growth and somewhat steeper energy prices will be factors in holding down consumer spending. General merchandise sales (soft goods) will generally do better, it is expected, than cars, furniture and appliances, rising up to 4%.

However, consumers -- mainly lower and middle income wage earners -- will be getting additional take-home pay due to tax cuts (with the total estimated as high as $11.5 billion). How much of this will go to pay off debts, how much to savings, how much to spending for goods and services remains to be seen.

Unreported Income

The "underground economy" in the U.S. represents such a large slice of national income that it cannot be ignored. This is a huge amount of income that goes unreported to escape taxation, or criminal charges, or both. In current dollars, the amount of unreported cash going underground grew from an average of $52.2 billion a year in 1971-75 to an average of $370.7 billion a year in 1981-85, according to estimates compiled by James J. O'Leary, economic consultant to the United States Trust Co.

According to this source, the total reached a peak of $558.4 billion in 1984, dropping to $431.7 billion in 1985, due in part to stricter IRS requirements for banks and other financial institutions to report interest and dividends. Much of the unreported income comes from drug dealing, burglaries, illegal gambling and other criminal activities, but much of it is unreported or collected "off the books" in businesses and professions. The rapidly growing service sector has offered increasing opportunities to deal in cash.

Poverty Levels

An experimental series of estimates by the Census Bureau regarding the U.S. poverty population, designed to include the value of noncash benefits, was reported in October 1986. This study concluded that the number of Americans living in poverty ranged from 21.5 million to 30.4 million in 1985, reflecting a poverty rate of between 9.1% and 12.8% of the population. The poverty threshold excluding noncash benefits is currently $10,989 in cash income for a family of four, and on that basis an earlier report by the Census Bureau had put the poverty rate at 14%.

Per Capita Income

From 1975 to 1985 per capita income in real terms, eliminating the effects of inflation, had increased about 1.2% a year. In 1985, per capita money income in the U.S. was $11,010, up 2.1% (in real terms) from 1984. For Whites, it was $11,670 (up 2.0%); for Blacks, $6,840 (up 4.9%); for Spanish-origin persons, it was $6,610, unchanged from 1984. Measured in 1985 dollars, per capita income in 1980 averaged $10,166; in 1975, $9,630; in 1970, $8,802.

INCOME/WEALTH

Money Income of Individuals

Counting money income from all sources, (earnings and other income) men in the 45-54 age group registered the highest median -- $25,845 in 1985 compared with an overall median of $16,311 for all men age 15 years and older. However, the 35-44 age bracket, which covers the leading edge of the baby boom generation, registered the largest number of men with median incomes of $30,000 to $49,999 and incomes of $50,000 or more in 1985.

Among women with their own incomes, the highest median by age group was for those in the 35-44 bracket ($10,275); and this group also had the biggest number of women with incomes upwards of $30,000 in 1985.

Among women age 65 & over, 15.8 million had their own income (98.5%) of all women in this age category, but the median income was only $6,313. Among men of this age about 11.2 million had their own incomes (99.1% of the total number of men age 65 plus) and their median income was $10,900. Government statistics indicate that taxpayers age 65 and over receive about half of all interest income reported on tax returns. The sharp drop in interest rates in recent months is beginning to affect consumption of discretionary items by senior citizens.

Number & Percent of Men & Women Age 15 Years & Over
By Total Money Income: 1985
(Numbers in thousands)

		Age Groups (years)						
	Total	15-19	20-24	24-34	35-44	45-54	55-64	65 & over
MALES, total	88,474	9,183	9,788	20,956	15,955	10,970	10,350	11,272
With income	83,631	6,204	9,199	20,464	15,694	10,768	10,131	11,171
Under $10,000	26,702	5,871	5,125	4,230	2,326	1,684	2,384	5,081
$10,000-$19,999	22,266	298	3,053	6,789	3,388	2,252	2,612	3,876
$20,000-$29,999	15,428	25	831	5,192	3,852	2,391	1,961	1,179
$30,000-$49,999	13,978	8	146	3,532	4,472	2,975	2,170	676
$50,000 & over	5,257	2	45	723	1,656	1,466	1,003	361
Median income	$16,311	$1,893	$ 8,629	$18,662	$25,358	$25,845	$20,257	$10,900
Mean income	$20,652	$2,987	$10,237	$20,715	$28,455	$29,756	$25,335	$14,940
MALES, total %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
With income	94.5	67.5	94.0	97.6	98.4	98.2	97.9	99.1
Under $10,000	30.2	63.9	52.4	20.2	14.6	15.3	23.0	45.1
$10,000-$19,999	25.2	3.2	31.2	32.4	21.2	20.5	25.2	34.4
$20,000-$29,999	17.4	4.0	8.5	24.8	24.1	21.8	18.9	10.4
$30,000-$49,999	15.8		1.5	16.8	28.0	27.1	21.0	6.0
$50,000 & over	5.9		0.4	3.4	10.4	13.4	9.7	3.2

(continued)

Money Income of Individuals

Number & Percent of Men & Women Age 15 Years & Over By Total Money Income: 1985

(Numbers in thousands)
(continued)

		Age Groups (years)						
	Total	15-19	20-24	24-34	35-44	45-54	55-64	65 & over
FEMALES, total	96,354	9,091	10,160	21,096	16,552	11,692	11,712	16,050
With income	86,531	5,790	9,150	19,300	15,271	10,612	10,603	15,805
Under $10,000	68,411	5,584	6,386	9,723	7,484	5,434	6,421	11,530
$10,000-$19,999	21,359	188	2,407	6,023	4,226	3,009	2,520	2,986
$20,000-$29,999	8,707	17	309	2,607	2,402	1,461	1,097	812
$30,000-$49,999	3,218	2	39	813	973	587	432	371
$50,000 & over	686	--	7	134	185	121	133	106
Median income	$ 7,217	$1,796	$ 6,155	$ 9,879	$10,275	$ 9,619	$ 7,173	$ 6,313
Mean income	$10,173	$2,595	$ 7,400	$11,591	$12,705	$11,942	$10,478	$ 8,982
FEMALES, total %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
With income	89.8	63.7	90.0	91.5	92.3	90.8	90.5	98.5
Under $10,000	71.0	61.4	62.8	46.1	43.2	46.5	54.8	71.8
$10,000-$19,999	22.2	2.1	23.7	28.5	25.5	25.7	21.5	18.6
$20,000-$29,999	9.0	0.2	3.0	12.4	14.5	12.5	9.4	5.6
$30,000-$49,999	3.3		0.4	3.9	5.9	5.0	3.7	2.3
$50,000 & over	0.7	--	0.1	0.6	1.1	1.0	1.1	0.7

* The number of civilian men with earnings (from work) was 67.8 million; their median earnings were $17,779. For women, comparable figures were 56.3 million, and $9,328.

Source: U.S. Bureau of the Census: Current Population Reports, Money Income & Poverty Status of Families & Persons in the U.S. (Advance data from the March 1986 Current Population Survey (P-60, No. 154)

Money income is highly concentrated among young adults. Based on Census data covering average incomes by age groups within the population over 14 years, 50.3% of male income was in the hands of men age 25 to 44 years (40.8% of the male population age 15 and over). Comparable figures for women showed an estimated 47.4% of female income concentrated among women age 25 to 44 years (35.8% of the female population age 15 and over). The 25-44 age category is the one that will grow fastest in the years ahead as the baby boomers age. The first batch reached age 40 in 1986.

Money Income of Individuals

Share of Total Income of Individuals Age 15 & Over By Sex & Age Group: 1985

(Numbers in thousands, income in billions of $)

	Men				Women			
	Number	%	Income	%	Number	%	Income	%
Total	88,474	100.0	$1,730.0	100.0	96,354	100.0	$880.2	100.0
With no income	4,843	5.5	--	--	9,822	10.2	--	--
With income	83,631	94.5	--	--	86,531	89.8	--	--
Age group: (years)								
15 - 19	6,204	7.0	18.5	1.1	5,790	6.0	15.0	1.7
20 - 24	9,199	10.4	94.2	5.4	9,150	9.5	67.7	7.7
25 - 34	20,464	23.1	423.9	24.5	19,300	20.0	223.7	25.4
35 - 44	15,694	17.7	446.6	25.8	15,271	15.8	194.0	22.0
45 - 54	10,768	12.2	320.4	18.5	10,612	11.0	126.7	14.4
55 - 64	10,131	11.4	256.7	14.8	10,603	11.0	111.1	12.6
65 & over	11,171	12.6	169.8	9.8	15,805	16.4	142.0	16.1

Source: Based on U.S. Bureau of the Census reports

Regional Distribution & Household Status of Individuals With Income: 1985

(Numbers in thousands)

	Men			Women		
	Number	%	Median Income	Number	%	Median Income
U.S. total	83,631	100.0	$16,311	86,531	100.0	$7,217
Northeast	17,519	20.9	17,581	19,011	22.0	7,543
Midwest	20,775	24.8	16,377	21,654	25.0	6,853
South	28,213	33.7	14,935	29,090	33.6	6,795
West	17,124	20.5	17,390	16,776	19.4	8,115
Household status:						
In families	69,397	83.0	16,570	69,428	80.2	6,513
Householder (head)	50,036	59.8	21,106	12,706	14.7	9,286
Spouse of householder	2,860	3.4	18,321	43,184	49.9	6,820
Other relative	16,501	19.7	4,884	13,538	15.6	3,922
Unrelated subfamilies	186	2.2	8,390	451	0.5	6,675
Unrelated individuals	14,048	16.8	15,275	16,652	19.3	10,120

Source: U.S. Bureau of the Census: Current Population Reports, *Money Income & Poverty Status of Families & Persons In the U.S.* (P-60, No. 154)

The Wealthiest Individuals

In 1985, the number of men with incomes of $50,000 or more totaled 3,588,000 (1,669,000 of these had incomes of $75,000 or more), according to the Census Bureau. Among women 686,000 had incomes of $50,000 and up; 1,669,000 were in the $75,000-and-over category.

INCOME/WEALTH

Household Income

The major source of income of American households is from earnings from employment -- accounting for $78 of every $100, according to the Department of Commerce. The three other most important sources of income for households are interest, dividends and other asset income. Asset income provided about $8 out of every $100 received. Social Security provided about $7, and other pensions about $4; miscellaneous sources, $3 in 1985.

Total money income of the Nation's 88,458 households in 1985 had a median value of $23,618, a mean of $29,066 in current dollars. The median was 5.4% above the 1984 figure and a third higher than in 1980, in terms of current dollars. In constant dollars, the 1985 figure was about 5.3% above the 1980 total.

Distribution of Households in March 1986 By Total Money Income, 1985
By Region of the U.S.
(Numbers in thousands)

	U.S. Total	Northeast	Midwest	South	West
Total number	88,458	18,562	21,847	30,311	17,738
Money Income					
Under $15,000	27,929	5,502	6,824	10,687	4,917
$10,000-$14,999	10,149	1,983	2,458	3,851	1,857
15,000- 19,999	9,674	1,873	2,387	3,519	1,895
20,000- 24,999	8,839	1,731	2,301	3,026	1,782
25,000- 29,999	8,042	1,617	2,101	2,678	1,646
30,000- 34,999	6,965	1,491	1,818	2,225	1,430
35,000- 39,999	5,739	1,235	1,514	1,823	1,166
40,000- 49,999	8,208	1,940	1,973	3,464	1,831
50,000- 74,999	9,134	2,148	2,187	2,752	2,046
75,000 & over	3,927	1,025	742	1,137	1,023
Median income	$23,618	$25,485	$23,551	$21,397	$25,782
Mean income	29,066	31,146	28,149	27,044	31,475

Source: U.S. Bureau of the Census, Current Population Reports
(Series P-60, No. 154)

Median Household Income By Age of Householder in 1984
By Region of the U.S.

	Age of Householder*						
	Total	Under 25 Years	25-34	34-44	45-54	55-64	65 & Over
Total households	22,415	$14,028	$23,735	$29,784	$31,516	$24,094	$12,799
Northeast	23,550	12,551	25,017	30,672	32,330	26,183	13,027
Midwest	22,586	13,471	23,821	29,876	31,978	25,101	12,943
South	20,625	13,874	22,113	27,993	29,916	20,999	11,710
West	24,457	15,997	25,358	31,076	32,862	26,077	14,651

* The householder is defined as the first person listed in whose name the home is owned or rented.

Source: U.S. Bureau of the Census, Current Population Reports
(Series P-60, No. 151)

Household Income (continued)

Relative household income patterns by age have changed over the past 20 years, reflecting shifts in relative unemployment rates and earnings, changes in living arrangements and in the age distribution of the population. The income of households headed by a young person declined from about 62% of the median for the 45-54 age group in 1967 to about 45% in 1984. The reason lies partly in the lower relative earnings of baby-boom workers, but also in the sharp increase in the number of single persons living alone, who are often young and usually have household income lower than than in households with two or more persons.

For households headed by 25-to-34-year-olds, relative income has declined since the late 1960's, reflecting the lower relative earnings of baby-boom workers currently of this age. A substantial rise in the proportion of households with more than one earner -- from about 45% in the late 1950's and early 1960's to nearly 70% by the early 1980's -- has kept this decline from being even greater.

Unlike the baby-boom generation, elderly people have improved their income position even though more of them are living alone. The relative income for households with heads aged 65 and over rose from 30% of the median for households with heads aged 45 to 54 in 1967 to more than 40% in 1984, according to an analysis of Census Bureau data by the Federal Reserve Board.

Relative Household Income, By Age of Head
Selected Years: 1967-1984

	Percent of median income of households with heads aged 45-54		
Age of head	1967	1975	1984
Under 25	61.7%	50.7%	44.5%
25-34	88.1	79.4	75.3
35-44	98.9	96.0	94.5
45-54	100.0	100.0	100.0
55-64	76.5	77.6	76.5
65 & over	30.3	35.6	40.6

Source: Federal Reserve Board based on U.S. Bureau of the Census, Current Population Reports

Income Distribution

Changes in the age distribution of the population have influenced the proportion of total household income received by each age group (based on age of householder or head). The percentage of total income received by households with younger heads rose between 1967 and 1975 despite the worsening of their relative income because of their large number. As this dwindled in the late 1970's, and early 1980's, their share of total income fell to less than 4%. In contrast the share for households whose head is 25 to 44 has risen, reflecting the maturing of the baby-boom cohort. In addition, the share of income received by households with elderly heads has risen steadily because their numbers have increased and their relative income has improved.

INCOME/WEALTH

Income Distribution

Distribution of Household Income, By Age of Head
Selected Years: 1967-1984

Age of head	Percent of income received by all households 1967	1975	1984
Under 25	4.6%	5.3%	3.8%
25-34	18.3	21.2	22.0
35-44	23.9	20.7	24.5
45-54	25.1	22.9	19.1
55-64	17.4	17.7	16.7
65 & over	10.8	12.2	13.9
All household income	100.0	100.0	100.0

Source: Federal Reserve Board based on U.S. Bureau of the Census, *Current Population Reports*

The current youth group -- the baby bust generation -- is favored in finding entry-level positions due to their small number, and their size should help boost incomes as they mature and competition for workers increases. In contrast, members of the baby-boom generation will continue to face intense competition in the labor market as they age, due to their number.

As of March 1985, there were 60,784,000 children under 18 years of age living with one or both parents. The mean family income for all of these children was $28,061. However, for the 46,149,000 children under 18 (76% of the total) living with both parents, the mean was $33,182.

Almost 23% of the children under 18 were in families with incomes of $40,000 or more. Older children are more likely to have parents who have moved up the earnings scale. Among those age 12 to 17 years, almost 30% were in families with annual income upwards of $40,000; about 18% were in families with incomes of $50,000 or more compared with only about 9% of the children under six.

Distribution By Family Income in 1985
Of Children Under 18 Years of Age Living With One or Both Parents
(Numbers in thousands)

	Total Under 18		Under 6 Yrs.		6 to 11 Yrs.		12 to 17 Yrs.	
Family Income	No.	%	No.	%	No.	%	No.	%
Under $10,000	12,242	20.1	5,245	24.9	3,781	19.8	3,215	15.6
$10,000-$14,999	6,210	10.2	2,383	11.3	1,929	10.1	1,898	9.2
$15,000-$24,999	12,373	20.4	4,462	21.2	4,044	21.1	3,868	18.7
$25,000-$39,999	16,117	26.5	5,454	25.9	5,145	26.9	5,520	26.8
$40,000-$49,999	6,213	10.2	1,712	8.2	2,005	10.5	2,496	12.1
$50,000 & over	7,628	12.6	1,782	8.5	2,209	11.6	3,636	17.6
Mean average	$28,061		$24,413		$27,751		$32,006	
Number of children	60,784	100.0	21,039	100.0	19,114	100.0	20,631	100.0

Source: U.S. Bureau of the Census, Current Population Reports, *Marital Status and Living Arrangements: March 1985* (Series P-20, No. 410)

INCOME/WEALTH

Income Distribution

The distribution of households in terms of income after taxes varies considerably from the pre-tax line-up. According to a Census Bureau analysis, the median income of all U.S. households after taxes in 1984 was $18,530 (compared with $22,415 before taxes). The percent of households with income of $50,000 or more dropped from 12.8% before taxes to 5.1% after taxes. Among households paying taxes which were in the $50,000-plus income group, 28.1% of their money income went for taxes in 1984.

Number and Percentage of Households, By Before and After Tax Income: 1984
(Numbers in thousands)

Household Income	Before Taxes		After Taxes	
	Number	Percent	Number	Percent
Total	86,789	100.0	86,789	100.0
Under $10,000	18,356	21.1	21,394	24.3
$10,000 - $14,999	10,557	12.1	13,362	15.3
$15,000 - $19,999	9,872	11.4	12,604	14.5
$20,000 - $24,999	9,012	10.4	10,778	12.4
$25,000 - $29,999	8,021	9.2	8,716	10.0
$30,000 - $34,999	6,643	7.7	6,354	7.3
$35,000 - $39,999	5,430	6.3	4,462	5.1
$40,000 - $44,999	4,472	5.2	3,077	3.5
45,000 - $49,999	3,346	3.9	1,908	2.2
$50,000 & over	11,080	12.8	4,432	5.1
Median income	$22,415	--	$18,530	--
Mean income	$27,464	--	$21,564	--
Income per household member	$10,207		$ 8,015	

Source: U.S. Bureau of the Census, Current Population Reports: After-Tax Money Income of Households: 1984 (P-23, No. 147)

The growing polarization of the U.S. market is one of increasing concern to economists, as well as marketers who must change their strategies. At the top is a growing overclass of well-educated, two-income families, at the bottom is a growing underclass of single mothers, baby-boomers stuck in low-paying jobs and children living in poverty. Between them is a middle class that has stopped growing.

In 1985, the top fifth of American families (those earning more than $48,000) got 43% of all family income, a post-war high. The bottom fifth (those earning less than $13,200) got 4.7%, the least in 25 years. Families earning $15,000 to $35,000 a year, (adjusted for inflation) fell to 39% of the 1985 total from 46% in 1970. Some economists expect this trend to continue as the economy is not producing as many middlewage jobs as it once did; others expect the pattern to reverse as the disrupting effects of the baby boom on family composition pass on. No matter what, the working wife is moving millions of families out of the middle class.

INCOME/WEALTH

Income Distribution

On a household income basis, those with incomes of $50,000 or more are reported to control a third of all personal income, according to The Conference Board, a business research group. By the year 2000, according to this source, 40% to 50% of personal income will be in the hands of those with inflation-adjusted income of $50,000 or more. Manufacturers and retailers to an increasing extent are focusing their attention on the upscale market, while some, such as Wal-Mart, are concentrating on the lower income group. Stores such as Gimbels and Ohrbachs, which focused on middle-income consumers, have had to close.

The impact of tax cuts to be phased in as of 1987 is a question, but they are expected to add some $11.5 billion in total personal income. The pattern in income distribution will still show over 40% of annual money income going to the top 20% of households, however.

In a study of discretionary income -- the amount of money households have left after paying taxes and normal household expenses -- by The Conference Board and the Census Bureau in 1985, it was found that about a third of U.S. households had incomes above that required for a "comfortable" standard of living. This discretionary income represented about 16% of all household income after taxes. Average income after taxes for households that had discretionary income was $34,560 (compared to a national average of $20,350 for all households in 1984). Half the discretionary income was held by the age 50-and-over market; 63% was held by households with two or more persons earning a paycheck.

Net Worth

A first-time report on household wealth and asset ownership was issued in July 1986 by the Census Bureau, based on information collected in September through December 1984. Median net worth was reported at $32,670, distributed as noted below.

Household Ownership of Assets & Distribution of Total Net Worth: 1984

	% of Households Owning Asset Type	Median Value of Holding	Distribution of Net Worth
All assets	--	$ 32,670	100.0
Interest-earning accounts (Savings, money market, deposits, CD's, etc.)	71.8	3,066	14.4
Other interest-earning assets (money market funds, govt. securities, bonds, etc.)	8.5	9,471	3.1
Checking accounts	53.9	449	0.6
Stocks & mutual fund shares	20.0	3,892	6.8
Own home	64.3	40,597	41.3
Rental property	9.8	34,556	9.0
Other real estate	10.0	14,791	4.4
Vehicles	85.8	4,104	6.0
Business or profession	12.9	6,298	10.3
U.S. savings bonds	15.0	300	0.5
IRA or KEOGH accounts	19.5	4,805	2.2
Other financial investments	6.9	12,789	4.9

(continued)

Net Worth

Housholds Owning Selected Asset Types By Household Annual Income

	% of Households By Income				Median Value of Holding By Income			
	Under $10,800	$10,800-23,999	$24,000-47,999	$48,000 & More	Under $10,800	$10,800-23,999	$24,000-47,999	$48,000 & More
Interest-earning accounts	47.7	70.3	84.7	92.7	$ 1,931	$ 2,490	$ 2,770	$ 7,351
Other interest-earning assets	2.7	6.3	9.8	22.7	8,715	9,746	5,997	11,635
Stocks/mutual funds	6.4	13.5	26.1	49.2	3,427	3,379	2,727	6,466
Equity in own home	42.5	60.4	76.4	88.7	29,355	36,392	41,599	63,439
Vehicles	62.3	89.5	96.9	97.2	1,978	3,208	5,040	7,597
Business/profession	7.9	10.5	14.2	26.0	3,277	3,986	5,249	22,713
IRA/KEOGH accounts	4.5	11.7	26.4	52.8	4,129	4,229	4,429	6,616

Median Net Worth by Age of Householder & Monthly Household Income

(Number of households in thousands)

	Age of Householder			
	Under 35	35-44	45-54	55-64
All households (no.)	25,730	17,393	12,596	12,920
Median income	$ 1,596	$ 2,238	$ 2,381	$ 1,822
Median net worth	5,764	35,581	56,791	73,664
Excl. home equity	2,966	7,557	12,655	22,073
Income under $900/mo.:				
Households (no.)	6,973	2,775	1,864	2,751
Median net worth	$ 855	$ 2,147	$ 6,662	$23,587
Excl. home equity	626	683	869	2,470
Income $900-$1,999/mo.:				
Households (no.)	8,916	4,305	2,842	3,865
Median net worth	$4,686	$16,533	$28,719	$60,232
Excl. home equity	2,531	3,690	5,281	14,983
Income $2,000-$3,999/mo.:				
Households (no.)	8,150	7,233	4,851	4,137
Median net worth	$15,343	$44,421	$63,236	$88,454
Excl. home equity	5,851	9,426	13,144	30,452
Income $4,000/mo. & up				
Households (no.)	1,691	3,081	3,039	2,166
Median net worth	$44,424	$92,713	$138,981	$197,603
Excl. home equity	18,158	32,607	45,740	88,437

* Base is less than 200,000 households.

(continued)

Net Worth (continued)

Median Net Worth by Age of Householder & Monthly Household Income
(Number of households in thousands)
(continued)

	Age of Householder			
	65+ Total	65-69	70-74	75 & Over
All households (no.)	18,151	5,668	5,014	7,468
Median income	$ 1,021	$ 1,306	$ 1,022	$ 828
Median net worth	60,266	66,261	60,573	55,178
Excl. home equity	18,790	21,502	18,455	17,025
Income under $900/mo.:				
Households (no.)	7,934	1,702	2,167	4,064
Median net worth	$25,863	$23,257	$23,578	$28,986
Excl. home equity	3,727	2,468	3,488	4,634
Income $900-$1,999/mo.:				
Households (no.)	6,672	2,428	1,933	2,310
Median net worth	$74,775	$68,509	$75,188	$80,044
Excl. home equity	29,849	22,412	27,718	41,343
Income $2,000-$3,999/mo.:				
Households (no.)	2,802	1,185	696	921
Median net worth	$162,900	$151,450	$164,048	$175,949
Excl. home equity	80,327	73,618	81,060	97,146
Income $4,000/mo & up				
Households (no.)	743	354	217	172
Median net worth	$344,518	$247,105	$410,252	*
Excl. home equity	212,710	156,751	268,515	*

* Base is less than 200,000 households.

Source: U.S. Bureau of the Census, Current Population Reports: Household Economic Studies: Household Wealth & Asset Ownership: 1984 (Series P-70, No. 7)

In August 1986, the Democratic staff of the Joint Economic Congressional Committee issued a corrected report covering an earlier version outlining findings on the control of wealth by American families. This study was based on $10 trillion in total household wealth in 1983 (not including pension fund assets valued at $1.3 to $1.5 trillion).

The study shows the high concentration of wealth among the richest households -- 0.5% of all families owned 26.9% of total household wealth (up from 25% in 1963); 90% of families had a 32.1% share of wealth in 1983, down from 36% in 1963.

Net Worth (continued)

Distribution of Total Wealth Among American Families: 1983

	Percent of Total Wealth 1983	 1963
Top 0.5% of families	26.9%	25.0%
Second 0.5% of families	7.4	6.6
Next 9.0% of families	33.6	32.4
Remaining 90% of families	32.1	36.0

Source: Joint Economic Committee of Congress (Aug. 1986)

Of the $2.8 trillion worth of outstanding equities at the end of 1985, more than 60% was held by the household sector, but households hold only 10% to 15% of corporate and Treasury bonds (excluding savings bonds).

Much has been said about the "wealth effect" of the recent sharp run-up in the stock market, with the assumption that consumers will feel wealthier and be encouraged to increase their spending. This may be true; however, the survey of consumer finances indicates that only 20% of families own stock either directly or through mutual fund, and only 3% to 4% own bonds. Furthermore, families in the top 10% of income -- those with at least $48,000 in money income in 1984 --own about 85% of all stocks in the household sector, 92% of the municipal bonds, 80% of mutual fund shares and 72% of other bonds. these families have the highest savings rate (averaging 28%); they are already rich, and new wealth is unlikely to change their consumption behavior.

Taking a realistic view of household assets, there are problems looming. For example, the real value of home equity -- which makes up the bulk of most household's net worth -- has actually declined as mortgage debt has soared. The collapse in prices of oil, farmland, office buildings and other property has had a detrimental effect on corporate equity -- including proprietorships and partnerships -- that are the mainstay of the upper middle class. According to the Federal Reserve Board, the real net worth of tangible assets, such as plant, equipment, and inventories, has also been falling -- and this is expected to ultimately be reflected in falling values of financial assets.

SAVINGS

The savings rate in 1986 sank to a rate of only 3.1% of disposable personal income, down from 5.1% in 1985 and 7.1% in 1980. This was the lowest rate registered since 1947 (3.1%). the sharp rise in the stock market, and the wealth effect this has in making consumers feel better, even if they are not stock holders, is expected to be a factor in keeping the rate low. Other factors include a switch to investing in the stock market because of its promise for gain, as well as the decline in corporate contributions to private pension plans (which are counted as deferred personal income that is saved).

SAVINGS

The demographics of the population have an effect on patterns of consuming and saving. As individuals age and the size of their family changes, savings and outlays vary in a systematic way. Younger people save relatively less than older ones, as they have greater demands for durable goods and educational expenses for themselves. As they age, saving for the education of children and for retirement years increases. Finally, the elderly typically save less out of current income as they often use accumulated assets for living expenses. While the baby boomers have matured into higher-saving age groups, their impact on savings has been offset by an increase in the elderly population. Changes in living arrangements are also keeping savings down, particularly the growth of single-person households, a group that as a whole tends to have a low savings rate, and which also include a large proportion of people in the lower half of income distribution.

DEBT

The growth and deteriorating quality of private debt, along with the record-shattering budget deficits and pileup of federal debt, are a matter of concern to economists, although most do not see a recession in the near future.

As a percentage of disposable income, household debt reached close to 31% in 1986, compared with less than 26% in 1980. Household liabilities have risen faster than household assets, and servicing this burden of debt absorbs about one-third of after-tax income. Delinquency rates on consumer installment loans are rising, particularly in the farm belt. A recent government estimate showed about 36% of 261,000 borrowers from the Farmers Home Administration behind in their payments. Home foreclosures are also on the rise. The current percentage, at close to 1% of the total outstanding, has nearly doubled in the past four years to a postwar high.

The level of personal debt of all types outstanding is reported by the Federal Reserve Board as follows (billions of dollars):

	End of 3rd Quarter 1986	End of 3rd Quarter 1985	End of 1983	% Change 3rd Quarter 1986/85
Mortgage debt, all holders	$2,456.9	$2,200.6	$1,813.9	+ 11.6%
1- to 2-family houses	1,596.0	1,425.4	1,189.8	+ 12.0
Multifamily	236.2	203.6	160.8	+ 16.0
Commercial	525.1	462.2	350.4	+ 13.6
Farm	99.6	108.3	112.8	- 8.0
Consumer installment credit	585.0	516.4	383.7	+ 13.3

According to the Survey Research Center at the University of Michigan, 62% of U.S. families used any type of credit card in 1983, 54% used one or more retail cards. Use of credit cards rises sharply with family income and with the level of education of the family head. Use on the basis of age of head was highest in the 35-64 age group. About 35% of all families incur credit card finance charges.

DEBT

With college costs rising, and the number of grants declining, students and their parents took out nearly $10 billion in Federal education loans in 1986, according to a recent Congressional report. This is almost triple the amount 10 years ago, on a constant dollar basis, and it does not include billions in bank loans, second mortgages, and loans from relatives. In all, up to half of undergraduates are heavily in debt as they leave school and enter their lowest earning years. A larger percentage of young people's incomes will be going toward debt for a longer period of time than in the past, and this is affecting employment decisions and personal decisions, such as delaying the start of a family, as well as reducing their discretionary income and spending on non-essentials.

According to the Department of Education, in 1986 about one loan in 10 was in default, with delinquent borrowers owing $5 billion out of more than $42 billion in outstanding loans.

CONSUMER SPENDING

Personal consumption expenditures in the third quarter of 1986 were at an annual rate of $2,799.8 billion, 4.6% above the 1985 comparable rate in terms of current dollars, and up 4.5% in terms of an inflation-adjusted constant dollar. Preliminary figures indicate a rise for the year 1986 in spending for all goods and services, on a current dollar basis, of 6.4%, compared with a 7.3% gain in 1985.

Despite a strong year-end finish, propelled by Christmas shoppers and car buyers rushing to claim sales tax deductions for the last time, retail sales for all of 1986 were up only 5.2%. This was the smallest annual gain since a 3% rise in 1982, a recession year, according to the Department of Commerce. In 1985, sales were up 6.3%. (Note: 1986 figures are preliminary).

Total retail sales for the year 1986 were estimated at $1,445 billion compared with $1,374 billion in 1985. Sales of building materials registered the biggest gain of any category, rising 16.1%, reflecting the strong home-buying activity early in the year. Gas station sales declined 14.3%, due to price cuts in gasoline.

A group of economists addressing retailers at the National Retail Merchants Association conference in New York late in January 1986 generally anticipated a slowdown in consumer spending in 1987, with real gain in the area of 2 to 2.75%. General merchandise sales were expected to do better, with a real gain of 5% versus 6.5% in 1986. Cited as contributing factors were the slowdown in gains in real hourly wage rates, and the rate of growth in installment debt. The drop in interest income is another important consideration.

Spending Patterns

The pattern of household growth, as previously noted, differs by age -- and this also means changing patterns in spending. The Consumer Research Center of the Conference Board has prepared indexes on expenditures for specific goods and services by age of household head. These show the deviation from the average (equal to 100) expenditure.

CONSUMER SPENDING

Spending Patterns

As noted in the table, for example, spending for food is highest among households with a head age 45-54. The index is 130.9 - or 30.9% above the average for all households. Households with a head age 35-44 outspend others for apparel, with an index of 143.1 -- 43.1% above average.

Relative Spending By Category Based on Age of Householder: 1985
(Average expenditure for each classification = 100.0)

	Age of Householder					
	Under 25	25-44	35-44	45-54	55-65	65 & Over
Households (thousands)	5,438	20,014	17,481	12,628	13,073	18,155
Average household size	2.3	2.9	3.4	3.2	2.4	1.8
Average household income	$16,643	$26,177	$33,389	$36,002	$30,516	$18,279
Relative expenditures						
Total spending	63.4	102.8	126.1	130.9	99.6	61.6
Selected spending:						
Food at home	56.3	91.8	129.2	131.1	102.5	70.6
Food away from home	72.2	102.4	124.0	136.4	100.8	56.8
Housing	62.3	112.3	125.3	115.9	90.4	69.3
Shelter	69.5	122.9	127.6	111.9	82.6	61.6
Utilities, fuel, etc.	46.8	87.7	119.4	130.6	108.9	83.2
Homefurnishings & equipment	70.1	115.8	130.2	119.7	96.4	51.5
Furniture	87.6	133.4	139.7	100.1	83.2	40.8
Major appliances	63.7	113.8	115.0	133.6	89.2	65.7
Apparel	71.1	104.0	152.1	140.4	86.0	35.4
Men's & boys'	65.0	106.4	152.1	140.4	86.0	35.4
Women's & girls'	64.4	87.6	145.8	140.9	100.1	51.8
Footwear	69.1	103.8	152.3	125.8	89.8	44.2
Transportation	74.0	105.4	124.1	141.2	102.2	48.6
New cars	60.0	103.0	119.6	149.9	109.8	48.1
Health care	33.8	67.9	99.2	116.4	112.6	135.3
Personal care	48.0	73.9	114.8	135.3	123.1	88.8
Recreation	75.2	115.8	143.4	133.8	98.8	44.5
TVs, radios, etc.	95.8	117.8	125.2	123.3	91.2	47.6

Source: American Demographics (October 1986)

Within the above framework, there are differences, of course, based on family composition and life styles, but in general, the indexes point to where the strongest markets are to be found. Further studies show that the pattern in spending varies for married couples with children and those without children. The latter spend significantly more on home furnishing, apparel and transportation. Couples with young children outspend those without children for housing and household operation, utilities and food. Educational levels of household heads also play a role in spending patterns. To an increasing extent, retailers must focus on specific market niches and lifestyles. Basic shifts have occurred in the spending patterns of American consumers over the years.

CONSUMER SPENDING

Spending Patterns

Distribution of Expenditures for Urban Wage Earners: 1939, 1982-84

	1939	1982-84
Total	100.0%	100.0%
Food & beverages	35.4	20.1
Housing	33.7	39.2
Apparel	11.0	6.5
Transportation	8.1	21.2
Medical care	4.1	3.9
Entertainment	2.8	4.1
Other goods & services	4.9	5.0

Source: U.S. Bureau of Labor Statistics

Personal Consumption Expenditures For Selected Product Categories, 1982 - 1985

(Covering the value at retail of all goods (new and used) reaching the consumer through any channel, i.e. retail outlets, premiums, direct sale by manufacturers and wholesalers, raffles, fairs, etc.)

	Billions of Current Dollars (add 000,000)			
	1985(p)	1984(r)	1983(r)	1982(r)
Total disposable personal income	$2,828.0	$2,670.6	$2,428.1	$2,261.4
Total personal consumption expenditures	2,600.5	2,428.2	2,234.5	2,050.7
Durable goods	359.3	331.2	289.1	252.7
Nondurable goods	905.1	870.1	816.7	771.0
Services	1,336.1	1,227.0	1,128.7	1,027.0
Selected Expenditures				
Food & non-alcoholic beverages, total*	407.0	388.4	361.7	341.8
Purchased for off-premise consumption	285.5	274.0	257.1	246.7
Purchased meals & beverages (on-premise consumption)	121.5	114.4	104.6	95.1
Tobacco products	31.8	29.9	28.2	24.7
Alcoholic beverages (for on & off-premise consumption)	53.5	53.0	52.2	49.5
Toilet articles & preparations	23.0	21.9	20.3	18.8
Barbershops, beauty parlors, health clubs, spas	15.6	14.5	13.8	11.7
Drug preparations & sundries (not including products dispensed by doctors, hospitals, etc.)	28.5	26.6	24.4	22.1

(continued)

Personal Consumption Expenditures For Selected Product Categories, 1982 - 1985
(continued)

	Billions of Current Dollars (add 000,000)			
	1985(p)	1984(r)	1983(r)	1982(r)
Selected Expenditures (cont'd.)				
Clothing & accessories, not including standard military clothing, jewelry or footwear (Luggage is included)	132.2%	125.4%	114.7%	105.4%
Women's, girls', infants'	88.7	83.7	76.3	69.5
Women's (age 16 & over) (e)	69.2	65.3	59.9	53.7
Girls', children's (e)	19.5	18.4	16.4	15.8
Men's & boys'	43.5	41.6	38.4	35.9
Men's (e)	35.6	34.1	31.5	28.8
Boys' (e)	7.8	7.5	6.9	7.1
Footwear, total	22.8	21.8	20.2	18.9
Men's (e)	8.1	7.6	7.5	6.6
Women's (age 16 & over) (e)	12.3	11.7	10.4	10.2
Boys', girls', infants' (e)	2.5	2.4	2.3	2.1
Jewelry & watches	21.3	20.0	18.0	16.7
Wheel goods, durable toys, sports equipment, boats, etc.	26.7	23.2	20.4	19.3
Nondurable toys & sport supplies	20.4	19.8	18.0	16.8
Books & maps	8.0	7.8	7.2	6.6
Homefurnishings, total **	140.7	132.2	119.5	107.1
Furniture & bedding (springs, mattresses, etc.)	27.5	26.5	23.8	21.6
Major appliances, electric housewares	23.0	21.7	19.6	17.7
Dinner & tableware, glassware, utensils	12.8	12.2	11.2	10.4
Other durable housefurnishings #	28.4	27.1	24.4	21.5
Semi-durable housefurnishings ##	13.9	13.4	12.3	11.4
Home entertainment (TV, radios, records, musical instruments, etc.)	35.1	31.3	28.2	24.5
Household supplies (cleaning, lighting, paper products, etc.)	6.8	6.5	5.8	5.2

(See footnotes on next page)

(continued)

Personal Consumption Expenditures For Selected Product Categories, 1982 - 1985
(continued)

	% To Total Disposable Income			% To Total Expenditures		
	1985(p)	1984(r)	1982(r)	1985(p)	1984(r)	1982(r)
Selected Expenditures						
Total expenditures	91.9%	90.8%	90.7%	100.0%	100.0%	100.0%
Durable goods	12.7	12.4	11.2	13.8	13.6	12.3
Nondurable goods	32.0	32.6	34.1	34.8	35.8	37.6
Services	47.2	45.9	45.4	51.4	50.5	50.1
Selected Products:						
Food & non-alcoholic beverages, total	14.4	14.5	15.1	15.6	16.0	16.7
Food & beverages for off-premise consumption	10.1	10.3	10.9	11.0	11.3	12.0
Toilet articles & preparations	0.8	0.8	0.8	0.9	0.9	0.9
Footwear	0.8	0.8	0.8	0.9	0.9	0.9
Clothing & accessories, total	4.7	4.7	4.7	5.1	5.2	5.1
Women's, girls', infants'	3.2	3.1	3.1	3.4	3.4	3.4
Men's, boys'	1.5	1.6	1.6	1.7	1.7	1.7
Homefurnishings, total	5.0	4.9	4.7	5.4	5.4	1.8

Note: Columns may not add to totals shown due to rounding of figures and/or expenditure categories included in totals but not separately reported.

(p) preliminary
(r) revised
(e) estimated

* Includes expenditures not separately shown, such as the value of food furnished to government and commercial employees, including military; food produced and consumed on farms, etc.

** The retail value of all types of homefurnishings (appliances, floor coverings, etc.) supplied by builders in new privately-owned housing units are included in personal consumption expenditures. However, such items supplied in rental apartments or other than privately-owned housing are not included.

# Principal furnishings included in "other durable housefurnishings" are floor coverings, blankets, comforters, pillows, picture frames, mirrors, art products, lamps, clocks, writing equipment, hand and power tools. (A durable product is defined as having a useful life of three years or more; nondurables, a useful life of less than three years.)

## Consists mainly of textile homefurnishings except where elsewhere classified, including piece goods for homefurnishings. Also included are lamp shades, brooms and brushes.

Source: Based on reports from the Office of Business Economics, U.S. Department of Commerce; Bureau of Labor Statistics, U.S. Department of Labor

CONSUMER PRICES/PURCHASING POWER

Early in 1987, the Bureau of Labor Statistics will issue revised Consumer Price Index figures which will better represent current buying patterns and include a broader range of products and services that have become important components of consumer spending. The 1987 revisions are based on the BLS expenditure surveys covering 1982 through 1984.

For the year 1986, inflation as measured by the CPI, was only 1.1%, the smallest annual increase since 1961. This low rate was due to the 19.7% drop in energy costs; but the underlying trend of nonenergy prices is upward, particularly food prices. Food prices for the year 1986 were up 3.7%; housing, up 1.8%; entertainment, up 3.4%; medical care, up 7.7%. Apparel prices were up only 0.7%; however, with improved coverage, revised CPI indexes on apparel are expected to show a sharper gain.

Inflation is expected to accelerate this year because of firming oil prices and the continuing decline of the dollar, which will make imported goods more expensive and allow American manufacturers more leeway to raise prices.

During the last few years, wage increases have generally outpaced the rise in consumer prices, providing American consumers with a net increase in purchasing power. But in 1987, economists expect that this will not be the case as inflation picks up and increases in earnings slow.

SCHEDULE OF ADDITIONAL FACT FILES

COATS, SUITS, RAINWEAR, AND FURS (WOMEN'S, MISSES' AND JUNIORS'): Details number of manufacturers by employment size, cuttings, and value of shipments. Also covered at the industry level are price trends and imports/exports. At the retailer level, data is presented on estimates of retail volume, sales share by outlet, merchandising and operating results, and also focuses on consumer buying habits and plans.

CONSUMER MARKET DEVELOPMENTS: Provides a detailed view of consumers in the U.S., including population by age and income, number of households and living arrangements, school enrollment, educational attainment, the labor force, employment and earnings. Also covers trends in consumer prices, in personal consumption expenditures by product classification, and the outlook for consumer markets based on current economic trends.

DEPARTMENT STORE SALES (Including Selected Major Apparel Specialty Store Sales): Covers sales and the number of stores operated, listed by geographic region and state based on buying headquarter locations. Lists branch store sales where available, as well as plans to open new stores. Sales information on major general merchandise/apparel retail chains, which are listed alphabetically, and a list of department stores with sales of $50 million or more, are included. (1985 Edition available now -- 1986 Edition available in November)

DRESSES & RELATED APPAREL (WOMEN'S, MISSES' AND JUNIORS'): Statistics on the dress and related women's apparel industry, including trends in the number of manufacturers and in production and shipments. Also data on retail sales by outlet type and on consumer buying habits.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Information on a wide range of fashion accessories including jewelry, watches, gloves, belts, handbags, small leather goods, luggage, neckwear, hats. Includes key information at manufacturer level, as well as sales and consumer data.

FOOTWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A statistical summary of the U.S. footwear industry and footwear markets. Covers domestic production, shipments, and imports. Provides retail sales and merchandising statistics, including sales share by outlet type.

HOME TEXTILES: Information on the industry includes the latest data on number of manufacturers, production and shipments for a wide range of products, including bed linens, towels, blankets and comforters, slip covers, pillows, curtains and draperies. Trends in merchandising, departmental operations and sales by outlet type.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet and on patterns in consumer spending.

HOUSEHOLD FURNITURE AND BEDDING: Contains U.S. industry-wide data on quantity and value of manufacturers' shipments of furniture and bedding (mattresses and dual-purpose sleep furniture). Retail information includes sales by store type, consumers' furniture style preference, etc.

INFANTS', TODDLERS', GIRLS' AND BOYS' WEAR: Manufacturer data spotlights production, value of shipments, number of manufacturers, employment in the industry by company size, price trends. At the retailer level, data focuses on sales share by type of outlet and on operating ratios in department and specialty stores.

INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR (WOMEN'S, MISSES' & JUNIORS'): Data on production and shipments, tracing market shifts in response to fashion changes, retail trends, sales by outlet type, and merchandising ratios.

MAJOR APPLIANCES AND ELECTRIC HOUSEWARES: Covers a wide range of products in the major appliance and traffic appliance classifications, including equipment, and personal care appliances. Details production and shipments, sales trends, sales by outlet type and retail merchandising results.

MEN'S FURNISHINGS AND WORK WEAR: Includes information on number of manufacturers, production and shipment figures on shirts, underwear, nightwear, neckwear, hats, etc., size of firms, imports and exports. Also provides data at the retail level, including sales and merchandising trends, operating ratios, and sales share by type of outlet.

MEN'S SPORTSWEAR, CASUAL WEAR AND JEANS: The wide variety of men's wear items included in this broad category are covered from available information on the industry at the manufacturer, retailer and consumer level. Included is information on production and shipments, market trends, retail sales by outlet type and consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES AND RAINWEAR: Manufacturer level profiled by production value of shipments, employment, size of firms. Data is presented on retail sales, sales share by outlet type and operating ratios. Also data on consumer buying habits.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade recently issued by the U.S. Census Bureau.

THE SPORTS/FITNESS/LEISURE MARKETS: Covers developments in the rapidly changing markets for sports and physical-fitness-related merchandise. Contains statistical data on sports equipment, apparel and footwear as well as information on the number of participants in various sports. Also includes findings in a survey on specialized sporting goods retailer operations.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits.

A STATISTICAL ANALYSIS OF RETAILING: A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Includes information on the number of outlets by store type, sales, market shares by type of major merchandise classification, sales concentration by size of retail organization, geographical changes, etc. Comparisons (where valid) are made with findings in the last previous census, covering operations in 1977.

THE TEXTILE/APPAREL INDUSTRIES: Industry overview, providing statistics on fibers and fabrics as well as finished goods. Includes information on industry size, concentration of sales by mill/manufacturer size, production and shipments by U.S. mills, as well as exports and imports for end-use markets. Covers capital expenditures and data on mill machinery.

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry-wide statistics and projections, as well as data on leading manufacturers in various product categories. Consumer expenditures, buying habits and usage of various product types are highlighted, as well as data on sales by outlet type and advertising expenditures by major producers.

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WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR

Market Trends

Leading innerwear firms are predicting modest growth in dollar volume for their industry in 1987 -- an industry that has experienced a no-growth situation for a number of years. An analysis by Kurt Salmon Associates reports that consumer purchases, in units, of daywear, bras and sleepwear will be flat or down for the year. While several firms performed well individually in 1986, as a whole business for most was flat or worse. Among factors cited by some company executives for their 1986 problems were unmanageable retail inventory levels, buyers placing orders late, lack of recognition at retail by store management, a less than favorable balance by some stores between branded goods and imports/private label goods, and year-round markdowns.

A key goal for the industry is to excite shoppers by something other than price. To this end, product innovations by manufacturers and improved service by retailers are becoming more prevalent. The $1.6 billion bra business, for example, recently received a big boost with the introduction of the racer-back bra, whose straps meet in the center of the back rather than resting on the shoulder blades. It was brought out first by Vanity Fair, and other companies soon followed with their own versions. Developed initially in response to summer dresses that featured larger armholes, racer-back bras now represent as much as 15% of total bra sales. It has shown both manufacturers and retailers that consumers will respond to new items sold at regular price. Companies are now marketing this bra as one that provides comfort and fit throughout the year, not just as a seasonal product during summer.

Among other recent product offerings in foundations are "fitness" bras for women who are physically active, and those with a dressier look adorned with lots of lace and satin. In other intimate apparel classifications, longer lengths in petticoats and sleepwear are taking hold. There has been a major shift in fabric preference, from nylon to cotton, and a larger selection of colors. Today, department store panties selections are close to 50% cotton, up from about 20% a few years ago. Retailers report that they will be keying on cotton flounces, petticoats, crinolines, eyelets, and chambrays.

glso expected to receive greater emphasis in 1987 is lingerie for large sizes and for petites. In addition, there is a trend away from traditional loungewear and toward more contemporary leisurewear. The proliferation of working women and their interest in health and fitness has given a boost to the easy care, multi-purpose leisurewear market.

As a result of a number of retail consolidations, department and larger specialty stores have been leaning toward in-store boutique concepts for lingerie. This has favored manufacturers that have lines of complementary products. Wacoal, for example, has opened about 150 boutiques in department stores over the last four years. The company has trained staff that performs such customer services as providing sizing charts, determining body type, and helping to find the best fit. Several manufacturers have been following Wacoal's lead, including Warner's. It has been testing the idea of company-trained sales help in the lingerie department of Macy's and Bloomingdale's in New York, with an eye toward a nationwide program.

Further evidence of the growing popularity of lingerie boutiques is Victoria's Secret. When this intimate apparel retailer and mail order firm was acquired by The Limited in 1982, it had sales of just $5 million. Today, Victoria's Secret has volume over $100 million. It has grown to 165 locations around the country since the acquisition, including its Manhattan flagship store opened late last year. Victoria's Secret relies on fashion-forward merchandise that is affordable and styled for mass appeal and heavily staffed stores. In-store promotions on select merchandise generally last for one week at a time, designed to bring customers in on a regular basis, not just during major promotional campaigns.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

A complete census of all manufacturers in the U.S. that have one or more paid employees is compiled every five years by the U.S. Bureau of the Census. Results from the latest (1982), covering operations in the women's inner fashion industry, are covered below. In addition, comparable figures are reported from 1983 and 1985 Annual Surveys of Manufactures. The Census Bureau conducts annual surveys using a sample of manufacturers in order to develop estimates on key measurements of manufacturing activity during intercensal periods.

The number of manufacturing establishments in the industry has been declining for many years now. Industry shipments, in contrast, have generally been rising though they dipped in 1985. However, these prices are in current dollars, so inflation has to be one factor taken into account when making comparisons.

Women's, Misses', Children's & Infants' Underwear & Nightwear (SIC 2341*)

	1985	1984	1983	1982	% Change 1985/84
Number of companies	na	na	na	477	--
Number of establishments, total**	na	545	573	604	--
Number with 20 or more employees	na	59	408	422	--
Employees, total (thous.)	59.4	66.2	66.7	67.8	- 10.3%
Production workers (thous.)	51.7	56.9	57.2	57.4	- 9.1
Payroll (mil. $)	$ 658.7	$ 700.2	$ 677.4	$ 640.8	- 5.9
Value added by manufacture# (mil. $)	$1,357.0	1,427.5	1,359.7	1,350.8	- 4.9
Value of industry shipments## (mil. $)	$2,715.2	2,827.1	2,734.9	2,602.4	- 4.0
Capital expenditures, new (mil. $)	34.8	34.7	34.2	30.4	+ 0.3
Machinery and equipment (mil. $)	na	na	na	21.0	--

Brassieres, Girdles & Allied Products (SIC 2342*)

	1985	1984	1983	1982	% Change 1985/84
Number of companies	na	na	na	134	--
Number of establishments, total**	na	136	138	151	--
Number with 20 or more employees	na	110	94	97	--
Employees, total (thous.)	13.9	13.8	13.7	13.8	+ 0.7%
Production workers (thous.)	10.9	11.3	11.1	11.3	- 3.5
Payroll (mil. $)	$ 169.5	$ 163.6	$ 151.1	$ 142.3	+ 3.6
Value added by manufacture# (mil. $)	402.1	459.7	434.4	370.8	- 12.5
Value of industry shipments## (mil. $)	775.2	811.1	770.2	720.3	- 4.4
Capital expenditures, new (mil. $)	12.3	8.1	4.8	7.5	+ 51.9
Machinery and equipment (mil. $)	na	na	na	5.9	--

(continued)

GENERAL INDUSTRY STATISTICS

Knit Underwear Mills (SIC 2254*)

	1985	1984	1983	1982	% Change 1985/84
Number of companies	na	na	na	72	--
Number of establishments, total**	na	75	80	84	--
Number with 20 or more employees	na	60	59	61	--
Employees, total (thous.)	24.0	25.0	20.6	22.3	- 4.0%
Production workers (thous.)	21.6	22.1	18.2	20.0	- 2.3
Payroll (mil. $)	$ 301.8	$ 302.2	$ 226.4	$ 232.3	- 0.1
Value added by manufacture# (mil. $)	491.7	492.8	449.9	446.2	- 0.2
Value of industry shipments## (mil. $)	1,136.2	1,010.7	824.3	829.9	+ 12.4
Capital expenditures, new (mil. $)	22.7	24.1	11.6	9.3	- 5.8
Machinery and equipment (mil. $)	na	na	na	7.4	--

Robes & Dressing Gowns (SIC 2384*)

	1985	1984	1983	1982	% Change 1985/84
Number of companies	na	na	na	128	--
Number of establishments, total**	na	102	109	135	--
Number with 20 or more employees	na	82	71	83	--
Employees, total (thous.)	8.6	8.8	8.1	9.3	- 2.3%
Production workers (thous.)	6.9	7.3	6.7	8.1	- 5.5
Payroll (mil. $)	$ 83.5	$ 91.1	$ 85.1	$ 88.0	- 8.3
Value added by manufacture# (mil. $)	185.8	199.9	163.4	193.1	- 7.1
Value of industry shipments## (mil. $)	386.8	407.0	381.4	403.6	- 5.0
Capital expenditures, new (mil. $)	2.4	2.1	2.8	3.9	+ 14.3
Machinery and equipment (mil. $)	na	na	na	2.6	--

na not available

* Manufacturers are classified by industry under the Standard Industrial Classification System (SIC) determined by the principal product made as shown below:

SIC 2341 - This industry comprises establishments primarily engaged in manufacturing women's, misses', children's and infants' underwear and nightwear cut and sewed from purchased woven or knit fabric.

SIC 2342 - This industry comprises establishments primarily engaged in manufacturing brassieres, girdles, corsets, corset accessories, and allied garments.

(footnotes continued)

GENERAL INDUSTRY STATISTICS

SIC 2254 - This industry comprises establishments primarily engaged in knitting underwear and nightwear from yarn or in manufacturing underwear and nightwear from knit fabric produced in the same establishments. Industry figures include underwear and nightwear for both men and women as well as for children and infants.

SIC 2384 - This industry comprises establishments primarily engaged in manufacturing men's and women's robes and dressing gowns.

** Covers manufacturing establishments only, and each location is separately counted. Not included are separate auxiliary locations serving the plants (i.e. administrative offices, purchasing offices, sales promotion offices, etc.).

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

## Value of industry shipments represents the net selling values, f.o.b. plant, after discounts and allowances, and excluding freight charges and excise taxes. This value includes both products described as primary to the industry and secondary products and miscellaneous receipts (including receipts for contract work and resales). (For value of product shipments, only, including shipments by all producers, see page 14.

Source: U.S. Bureau of the Census,
1985, 1984, 1983 Annual Survey of Manufactures,
1982 Census of Manufactures
1984 County Business Patterns.

Apparent Consumption

Apparent consumption is defined as domestic shipments plus imports minus exports. There was little change in U.S. apparent consumption of women's & children's underwear, pajamas and girdles from 1984 to 1985. However, apparent consumption of brassieres, bralettes, and bandeaux was up 21.4% in quantity and 10.1% in value over the period.

U.S. Apparent Consumption of Women's & Children's Underwear, Nightwear & Foundations: 1985

	Quantity (Thous. Dozen)			
	Shipments	Exports	Imports	Apparent Consumption
Women's, girls' & infants':				
Underwear	59,213	2,938	15,412	73,382
Pajamas	17,954	534	2,920	20,357
Brassieres, bralettes, and bandeaux	16,267	10,912	14,084	23,043
Girdles, corsets, and combinations	2,881	1,117	1,388	3,977

(continued)

Apparent Consumption (continued)

U.S. Apparent Consumption of Women's & Children's Underwear, Nightwear & Foundations: 1985
(continued)

	Value (Mil. $)			
	Shipments	Exports*	Imports**	Apparent Consumption
Women's, girls' & infants':				
Underwear	$ 987.0	$ 17.5	$ 142.3	$ 1,111.8
Pajamas	1,208.4	9.7	157.2	1,355.9
Brassieres, bralettes, and bandeaux	766.6	72.0	268.7	963.8
Girdles, corsets, and combinations	189.8	6.3	31.4	214.9

* Estimated producers' value, which excludes freight, insurance and other charges incurred in moving goods to the port of export.

** C.I.F. value at first port of entry in the U.S. plus import duties.

Source: U.S. Bureau of the Census,
Current Industrial Reports, MA23G(85)-1

Employment & Earnings

The number of workers in the women's inner fashion industry slid in 1985 as fewer companies were in operation. The number of manufacturing establishments has been declining steadily for a number of years (see pages 2-3). In 1977, there were 698 plants producing women's & children's underwear and nightwear, while 180 produced brassieres and girdles. By 1984, there were only 545 and 136, respectively. The number of knit underwear mills declined from 92 to 75 over this period.

Earnings of production workers rose moderately in 1985 but below the increases attained in prior years. (These figures are not directly comparable with Census Bureau data on employment due to a difference in the methodology used by the U.S. Bureau of Labor Statistics).

Employment & Earnings in Selected Women's Inner Fashion Industries

	October Averages			Annual Averages		
	1986	1985	% Change 1986/85	1985	1984	% Change 1985/84
Knit Underwear Mills:						
All employees (thous.)	23.8	24.3	- 2.1%	24.6	27.1	- 9.2%
Production workers (thous.)	19.9	20.2	- 1.5	20.7	23.3	-11.2
Average weekly earnings	$238.17	$218.66	+ 8.9	$206.19	$206.46	- 0.1
Average hourly earnings	$ 5.91	$ 5.80	+ 1.9	$ 5.70	$ 5.55	+ 2.7
Average weekly hours	40.3	37.7	+ 6.9	36.2	37.2	- 2.7

(continued)

GENERAL INDUSTRY STATISTICS

Employment & Earnings (continued)

Employment & Earnings in Selected Women's Inner Fashion Industries
(continued)

	October Averages			Annual Averages		
	1986	1985	% Change 1986/85	1985	1984	% Change 1985/84
Women's & children's underwear:						
All employees (thous.)	62.2	63.0	- 1.3%	61.8	67.5	- 8.4%
Production workers (thous.)	53.2	54.3	- 2.0	53.1	58.2	- 8.8
Average weekly earnings	$199.02	$196.73	+ 1.2	$190.11	$183.26	+ 3.7
Average hourly earnings	$ 5.21	$ 5.15	+ 1.2	$ 5.18	$ 4.98	+ 4.0
Average weekly hours	38.2	38.2	--	36.7	36.8	- 0.3
Women's brassiers & allied garments:						
All employees (thous.)	15.0	15.2	- 1.3%	15.2	16.5	- 7.9%
Production workers (thous.)	11.2	11.3	- 0.9	11.4	12.3	- 7.3
Average weekly earnings	$220.43	$212.71	+ 3.6	$210.50	$204.05	+ 3.2
Average hourly earnings	$ 6.14	$ 6.13	+ 0.2	$ 5.88	$ 5.56	+ 5.8
Average weekly hours	35.9	34.7	+ 3.5	35.8	36.7	- 2.5

Source: U.S. Bureau of Labor Statistics, Employment & Earnings

Industry Concentration

As part of the complete Census of Manufactures covering operations in 1982, the U.S. Census Bureau has compiled data on industry concentration levels. Many companies in the inner fashion industry have more than one plant and much of the industry activity is controlled by a relatively small number of companies. According to the census, 22.2% of companies in the women's & children's underwear industry had more than one plant. These plants accounted for more than 72% of the value of industry shipments. Likewise, 21.6% of the companies manufacturing brassieres and allied garments accounted for nearly 79% of industry shipments.

Single & Multiunit Companies' Share of Shipments, 1982

		Plants		Employees		Value of Industry Shipments	
	Companies	No.	%	Thous.	%	Thous. $	%
Women's & children's underwear (SIC 2341)	477	604	100.0%	67.8	100.0%	$2,602.4	100.0%
Multiunit companies	106	233	38.6	46.9	69.2	1,877.8	72.2
Single unit companies	371	371	61.4	20.9	30.8	724.6	27.8
Brassieres & allied garments (SIC 2342)	134	151	100.0	13.8	100.0	720.3	100.0
Multiunit companies	29	46	30.5	9.1	65.9	567.4	78.8
Single unit companies	105	105	69.5	4.8	34.1	152.9	21.2
Knit underwear mills (SIC 2254)	72	84	100.0	22.3	100.0	829.9	100.0
Multiunit companies	28	40	47.6	19.7	88.3	720.9	86.9
Single unit companies	44	44	52.4	2.6	11.7	109.0	13.1

Source: U.S. Bureau of the Census, 1982 Census of Manufactures Type of Organization, Subject Series MC82-S-5

Industry Concentration (continued)

Further data on industry concentration is contained in the Census Bureau's report on Concentration Ratios in Manufacturing. In 1982, the 20 largest brassiere producers accounted for 78% of industry shipments and the 50 largest accounted for 94%. In contrast, the 50 largest blouse producers that year -- part of an industry with a high number of small-sized manufacturers --had 44% of all shipments.

Share of Value of Industry Shipments Accounted For By the Largest Companies

		Value of Industry Shipments*				
			Percent accounted for by largest companies:			
Industry	No. of Companies	Total (mil. $)	4 largest	8 largest	20 largest	50 largest
Brassieres and allied garments						
1982	134	$ 720.3	35%	56%	78%	94%
1977	150	650.0	36	52	77	92
1972	220	647.0	31	45	67	86
Women's & children's underwear & nightwear						
1982	477	2,602.4	22	31	45	66
1977	548	1,780.8	22	29	43	64
1972	609	1,331.9	15	23	41	63
Knit underwear mills						
1982	72	829.9	46	65	90	99
1977	80	648.9	42	59	85	99
1972	74	544.6	46	61	85	98
Robes & dressing gowns						
1982	129	403.6	25	42	70	92
1977	137	388.3	25	44	69	90
1972	172	202.8	24	39	59	83

* For definition of terms, see page 4.

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
Concentration Ratios in Manufacturing (MC-82-S-7)

Industry Concentration (continued)

Concentration By Employment Size, 1982

	Establishments		Value Added By Manufacture*		Industry Shipments*	
	Number	%	(Mil. $)	%	(Mil. $)	%
Women's and children's underwear and nightwear industry, U.S. total	604	100.0%	$1,350.8	100.0%	$2,602.4	100.0%
By establishment (plant) size:						
Under 20 employees	182	30.1	72.2	5.3	198.9	7.6
20 - 49 employees	112	18.5	90.5	6.7	215.7	8.3
50 - 99 employees	101	16.7	144.2	10.7	271.4	10.4
100 or more employees	209	34.6	1,043.9	77.3	1,916.4	73.6
Brassieres and allied garment industry, U.S. total	151	100.0	370.8	100.0	720.3	100.0
By establishment (plant) size:						
Under 20 employees	54	35.8	8.9	2.4	18.4	2.6
20 - 49 employees	29	19.2	24.6	6.6	48.6	6.7
50 - 99 employees	24	15.9	52.3	14.1	110.1	15.3
100 or more employees	44	29.1	285.0	76.9	543.2	75.4
Knit underwear industry, U.S. total	84	100.0	446.2	100.0	829.9	100.0
By establishment (plant) size:						
Under 20 employees	23	27.4	3.3	0.7	9.9	1.2
20 - 49 employees	12	14.3	10.1	2.3	19.1	2.3
50 - 99 employees	14	16.7	21.3	4.8	38.4	4.6
100 or more employees	35	41.7	411.5	92.2	762.5	91.9
Robes & dressing gown industry, U.S. total	135	100.0	193.1	100.0	403.6	100.0
By establishment (plant) size:						
Under 20 employees	52	38.5	12.8	6.6	33.0	8.2
20 - 49 employees	34	25.2	32.9	17.0	90.0	22.3
50 - 99 employees	20	14.8	27.2	14.1	60.5	15.0
100 or more employees	29	21.5	120.2	62.2	220.1	54.5

* For an explanation of terms, see page 4.

Source: U.S. Bureau of the Census, 1982 Census of Manufactures

GENERAL INDUSTRY STATISTICS

Leading States

Industry Statistics For Leading States, 1982

	All Plants		Employees		Value Added By Manufacture*	
	Total	With 20+ Employees	No. (thous.)	% of Total	Mil. $	% of Total
Women's & children's underwear, U.S. total	604	422	67.8	100.0%	$1,350.8	100.0%
Leading states:						
New York	188	84	6.2	9.1	224.7	16.6
Pennsylvania	67	60	7.6	11.2	123.5	9.1
Georgia	25	24	4.9	7.2	87.5	6.5
New Jersey	33	21	3.2	4.7	81.4	6.0
California	40	23	2.4	3.5	55.4	4.1
Brassieres and allied garments, U.S. total	151	97	13.8	100.0	370.8	100.0
Leading states:						
Georgia	7	6	1.7	12.3	87.9	23.7
New York	59	32	3.6	26.1	81.4	22.0
California	14	12	2.7	19.6	61.8	16.7
Pennsylvania	14	10	1.4	10.1	26.0	7.0
New Jersey	18	9	0.7	5.1	21.2	5.7
Knit underwear mills, U.S. total	84	61	22.3	100.0	446.2	100.0
Leading states:						
North Carolina	14	12	6.4	28.7	99.8	22.4
Pennsylvania	40	19	1.9	8.5	60.4	13.5
New York	15	8	1.0	0.4	34.1	7.6
Georgia	5	4	1.0	0.4	29.7	6.7
Robes & dressing gowns, U.S. total	135	83	9.3	100.0	193.1	100.0
Leading states:						
New York	56	28	1.9	20.4	67.0	34.7
South Carolina	7	7	1.3	14.0	30.7	15.9
California	15	7	0.8	8.6	18.4	9.5
Tennessee	5	4	0.7	7.5	7.2	3.7
Georgia	3	3	0.4	4.3	6.4	3.3

* For an explanation of this term, see page 4.

Source: U.S. Bureau of the Census,
1982 Census of Manufactures

PRODUCTION

Among the major classifications of women's innerwear and nightwear covered in Census Bureau reports, all registered declines in production by U.S. manufacturers in 1985 compared with 1984 with the exception of pajamas. Production of knit pajamas, in particular, rose in 1985, up 12.3% for the year. Separate bedjackets and peignoirs, in contrast, were down 21.6% in 1985, with both woven and knit production declining. The quantity of full-length slips produced also fell for the year, down 11.2%. Production was down in both woven and knit construction and in both cotton and man-made fabrics.

Production Quantity of Women's Innerwear & Nightwear By All U.S. Producers, 1984, 1985
(Thousands of dozens)

	1985	1984	% Change 1985/84
Women's, misses' & juniors':			
Full-length slips	2,542	2,862	- 11.2%
Half-slips, excluding pettipants	2,503	2,560	- 2.2
Panties, including pettipants	33,432	36,682	- 8.9
Union suits, camisoles, thermal underwear, etc.	2,699	2,932	- 7.9
Nightgowns & sleepcoats, excluding sets with robes	8,493	9,149	- 7.2
Pajamas, except sets with robes	1,383	1,335	+ 3.6
Peignoir & robe sets with nightgown or pajamas	1,001	1,081	- 7.4
Separate bedjackets & peignoirs, excluding lounge robes	105	134	- 21.6
Robes, dressing gowns, housecoats, etc.	2,470	2,655	- 7.0
Foundations	19,187	19,602	- 2.2

Source: U.S. Bureau of the Census, Current Industrial Reports, Underwear & Nightwear MA23G(85)-1.

The detailed Current Industrial Reports issued by the Census Bureau on women's underwear and nightwear production in July 1986 include information on construction (woven vs. knit) and fabric type (cotton vs. man-made). The data are developed through a mail survey of all known U.S. manufacturers and jobbers with the exception of very small plants (generally less than five employees). Figures include garments assembled abroad and shipped back to U.S. cutters under the terms of item 807 of the Tariff Schedule.

Production of Reported Types of Women's Innerwear & Nightwear By Fabric & Construction, 1984, 1985
(Thousands of dozens)

	1985	1984	% Change 1985/84
Full length slips	2,542	2,862	- 11.2%
By construction:			
Woven fabric	528	531	- 0.6
Knit fabric	1,906	2,240	- 14.9
Fabric, n.s.k.	108	91	+ 18.7
By fabric:			
All cotton & chiefly cotton	84	97	- 13.4
All man-made & chiefly man-made	1,854	2,124	- 12.7
All other fabric Fabric, n.s.k.	604	641	- 5.8

(continued)

Production of Reported Types of Women's Innerwear & Nightwear By Fabric & Construction, 1984, 1985

(Thousands of dozens)
(continued)

	1985	1984	% Change 1985/84
Half-slips, excluding pettipants	2,503	2,760	- 9.3%
By construction:			
Woven fabric	550	499	+ 10.2
Knit fabric	1,818	2,076	- 12.4
Construction, n.s.k.	135	185	- 27.0
By fabric:			
All cotton & chiefly cotton	80	66	+ 21.2
All man-made & chiefly man-made	2,329	2,501	- 6.9
Fabric, n.s.k.	94	193	- 51.3
Panties, including pettipants	33,432	36,682	- 8.9
By construction:			
Woven fabric	1,079	1,067	+ 1.1
Knit fabric	31,996	34,765	- 8.0
Construction, n.s.k.	357	850	- 58.0
By fabric:			
All cotton & chiefly cotton	10,438	9,898	+ 5.5
All man-made & chiefly man-made	21,931	25,405	- 13.7
All other fabric Fabric, n.s.k.	1,063	1,379	- 22.9
Union suits, camisoles, thermal underwear, etc.	2,699	2,932	- 7.9
By construction:			
Woven fabric	139	75	+ 85.3
Knit fabric	2,355	2,517	- 6.4
Construction, n.s.k.	205	340	- 39.7
By fabric:			
All cotton & chiefly cotton	396	355	+ 11.5
All man-made & chiefly man-made	1,982	2,268	- 12.6
All other fabric Fabric, n.s.k.	321	309	+ 3.9
Nightgowns & sleepcoats, excluding sets with robes	8,493	9,149	- 7.2
By construction:			
Woven fabric	3,176	3,727	- 14.8
Knit fabric	4,980	5,014	- 0.1
Construction, n.s.k.	283	408	- 30.6
By fabric:			
All cotton & chiefly cotton	1,680	1,852	- 9.3
All man-made & chiefly man-made	6,229	6,865	- 9.3
All other fabric Fabric, n.s.k.	584	432	+ 35.1

(continued)

Production of Reported Types of Women's Innerwear & Nightwear By Fabric & Construction, 1984, 1985

(Thousands of dozens)
(continued)

	1985	1984	% Change 1985/84
Pajamas, except sets with robes	1,383	1,335	+ 3.6%
By construction:			
Woven fabric	387	455	- 14.9
Knit fabric	959	854	+ 12.3
Construction, n.s.k.	37	26	+ 42.3
By fabric:			
All cotton & chiefly cotton	175	168	+ 4.2
All man-made & chiefly man-made	1,132	1,112	+ 1.8
All other fabric Fabric, n.s.k.	76	55	+ 38.2
Peignoir & robe sets with nightgown or pajamas	1,001	1,081	- 7.4
By construction:			
Woven fabric	211	254	- 16.9
Knit fabric	706	730	- 3.3
Construction, n.s.k.	84	97	- 13.4
By fabric:			
All cotton & chiefly cotton	12	19	- 36.8
All man-made & chiefly man-made	898	952	- 5.7
All other fabric Fabric, n.s.k.	91	110	- 17.3
Separate bedjackets & peignoirs, excluding lounge robes	105	134	- 21.6
By construction:			
Woven fabric	54	65	- 16.9
Knit fabric	15	38	- 60.5
Construction, n.s.k.	36	31	+ 16.1
By fabric:			
All cotton & chiefly cotton	11	12	- 8.3
All man-made & chiefly man-made	65	91	- 28.6
All other fabric Fabric, n.s.k.	29	31	- 6.5
Robes, dressing gowns, housecoats, etc.	2,470	2,655	- 7.0
By construction:			
Woven fabric	1,392	1,395	- 0.2
Knit fabric	886	914	- 3.1
Construction, n.s.k.	192	346	- 44.5
By fabric:			
All cotton & chiefly cotton	322	325	- 0.9
All man-made & chiefly man-made	1,775	1,862	- 4.7
All other fabric Fabric, n.s.k.	373	468	- 20.3

(continued)

Production of Reported Types of Women's Innerwear & Nightwear By Fabric & Construction, 1984, 1985

(Thousands of dozens)
(continued)

	1985	1984	% Change 1985/84
Foundations			
Brassieres, bralettes and bandeaux	16,267	16,438	- 1.0%
Corsets	12	18	-33.3
Girdles	2,400	2,383	+ 0.7
Combinations and one-piece garments	328	515	-36.3
Maternity foundation garments	111	129	-14.0
Garter belts	30	119	-74.8

n.s.k. not specified by kind

Source: U.S. Bureau of the Census, Current Industrial Reports
Women's & Children's Underwear and Nightwear MA23G(85)-1

Materials Consumed in Production

The amount of fiber consumed in U.S. production of women's & children's innerwear and nightwear rose nearly 7% in 1985 from 1984, led by an 8.0% gain in cotton usage. In the last few years, there has been a major industry-wide shift in fabric preference, from nylon to cotton. Cellulosic fiber consumption was down 20.9% for the year.

Despite a 5.1% dropoff in fiber consumption in the production of robes & loungewear, cotton usage was up. Consumption rose 11.3%, following a 6% increase the year before. Man-made fiber usage was down 7.8% for the year and 41.3% below its level of five years ago.

Consumption of Fibers in the Production of Women's & Children's Innerwear & Nightwear, 1983-1985

	Millions of Pounds			% Change
	1985	1984	1983	1985/84
Innerwear & nightwear, total*	189.0	176.8	196.6	+ 6.9%
Man-made fibers, total	139.5	130.7	153.0	+ 6.7
Cellulosic	6.8	8.6	12.5	-20.9
Non-cellulosic	132.7	122.1	140.5	+ 8.7
Cotton	48.7	45.1	42.6	+ 8.0
Wool	0.8	1.0	1.0	-20.0
Robes & loungewear, total**	93.5	98.5	92.5	- 5.1
Man-made fibers, total	73.4	79.6	74.8	- 7.8
Cellulosic	37.2	41.5	39.0	-10.4
Non-cellulosic	36.2	38.1	35.8	- 5.0
Cotton	17.8	16.0	15.1	+11.3
Wool	2.3	2.9	2.6	-20.7

(continued)

PRODUCTION

(footnotes from previous table)

* Includes full and half-slips, panties, pettipants, camisoles, vests, briefs and thermal underwear as well as nightgowns, sleep & lounging pajamas, sleep coats, peignoir & robe sets with nightgowns or pajamas, negligees and bed-jackets. Also includes bodywear and all children's and infants' underwear & nightwear. Excludes the trim, elastic webbing, apparel lace, braid or narrow fabric used in these products.

The bras and foundations include corsets, girdles, combinations, garter belts, hose supporters and maternity foundation garments.

**Includes men's and boys' beach and bath robes, dressing gowns and smoking jackets as well as women's beach and bath robes and housecoats.

Source: Textile Economics Bureau, Textile Organon, September 1986

PRODUCT SHIPMENTS

In contrast with "industry shipments" previously covered and defined on page 4, the value of product shipments covers the total value of shipments of specified items by all U.S. manufacturers, regardless of industry classifications based on primary products.

According to the 1985 Annual Survey of Manufactures, the total value of shipments of women's & children's underwear totaled $2.5 billion that year, down 0.9% from 1984. These reports are conducted each year between censuses, the most recent which covered the year 1982.

Value of Shipments of Women's & Children's Inner Fashions
By All U.S. Producers, 1983-1985

	Millions of Dollars			% Change
	1985	1984	1983	1985/84
Women's & children's underwear and nightwear (SIC 2341)	$2,502.6	$2,525.3	$2,507.7	- 0.9%
Underwear	990.1	961.5	833.9	+ 3.0
Nightwear	1,110.8	1,133.1	1,258.3	- 2.0
Commission work on underwear and nightwear	348.6	376.2	340.5	- 7.3
Underwear & nightwear n.s.k.	53.1	54.5	75.1	- 2.6
Brassieres and allied garments (SIC 2342)	713.8	715.3	740.7	- 0.2
Brassieres, bralettes and bandeaux	480.8	497.5	488.6	- 3.4
Corsets, girdles, combinations and accessories	133.8	141.3	193.7	- 5.3
Commission work on brassieres, corsets and allied garments	58.7	34.0	21.3	+72.6
Brassieres, corsets & allied garments n.s.k.	40.5	42.5	37.1	- 4.7
Robes and dressing gowns (SIC 2384)	421.2	443.6	432.1	- 5.0

n.s.k. not specified by kind

Source: U.S. Bureau of the Census,
1985 Annual Survey of Manufactures

PRODUCT SHIPMENTS

More detailed information on product shipments is contained in the Current Industrial Reports. These figures are developed through a mail survey of all known U.S. manufacturers and jobbers and include garments assembled abroad under the terms of item 807 of the Tariff Schedule.

Value of Shipments of Specified Women's & Children's Inner Fashion Classifications By All U.S. Producers, 1984-1985
(Millions of dollars)

	Millions of Dollars		% Change
	1985	1984	1985/84
INNERWEAR, NIGHTWEAR, ROBES (EXCLUDING FOUNDATIONS):			
Slips	$ 262.2	$ 286.2	- 8.4%
Full-length	153.9	169.2	- 9.0
Half-slips	108.3	117.0	- 7.4
Panties, including pettipants	455.7	468.9	- 2.8
Union suits, camisoles, thermal underwear, etc.	95.5	103.0	- 7.3
Nightwear, excluding robes, total	890.8	918.3	- 3.0
Nightgowns, sleepcoats, excluding sets with robes	663.1	687.6	- 3.6
Pajamas, except sets with robes	102.2	100.2	+ 2.0
Peignoir/robe sets with nightgown or pajamas	112.3	115.9	- 3.1
Separate bedjackets and peignoirs, excluding lounge robes	13.2	14.6	- 9.6
Robes, dressing gowns, housecoats, etc.	314.4	332.6	- 5.5
FOUNDATIONS:			
Brassieres	766.6	721.5	+ 6.3
Foundations, excluding maternity	179.9	168.5	+ 6.8
Maternity foundations garments	8.3	8.6	- 3.5
Garter belts	1.6	3.5	-54.3

# Includes domestic and Puerto Rican shipments. The value of shipments by domestic producers in 1985 was reported as follows: brassieres, etc. $467.0 million, foundations, $133.8 million. In 1984, comparable figures were $471.9 million and $122.3 million, respectively.

Source: U.S. Bureau of the Census, Current Industrial Reports, Underwear & Nightwear MA-23G(85)-1

Concentration of Product Shipments

As noted in the previous section, in recent years the industry has consolidated operations. The latest figures on the share of specific product shipments accounted for by the largest companies are for the year 1982, compiled in the complete Census of Manufactures done every five years. Later figures would undoubtedly show an even greater level of concentration by the largest companies.

PRODUCT SHIPMENTS

Concentration of Product Shipments

Share of Specified Women's Innerwear Product Shipments By The Largest U.S. Manufacturers, 1982

	Product Shipments (Mil. $)	% of value accounted for by largest companies			
		Top 4	Top 8	Top 20	Top 50
Women's, children's & infants underwear*					
1982	$ 832.7	23%	34%	56%	83%
1977	585.8	19	30	52	77
Women's, childrens & infants nightwear*					
1982	1,136.0	18	27	49	77
1977	852.2	21	31	52	76
Brassieres, bralettes & bandeaux					
1982	450.8	40	62	90	100
1977	346.1	43	62	88	99+
Corsets, girdles, combinations & accessories					
1982	159.1	39	56	82	99+
1977	153.3	33	50	78	99
Women's & children's knit underwear from fabrics knit in the same establishment*					
1982	125.3	64	80	98	100
1977	95.4	51	73	94	100
Women's & children's knit nightwear from fabrics knit in the same establishment*					
1982	61.9	65	90	100	--
1977	50.0	66	91	100	--
Robes & dressing gowns, except children's					
1982	416.0	23	38	64	92
1977	243.3	27	44	70	94

* The total value of shipments and percents accounted for by largest companies are based exclusively on the products primary to this industry.

Source: U.S. Bureau of the Census, 1982 Census of Manufactures, Concentration Ratios in Manufacturing

Leading States

Value of Shipments By All Producers In Leading States, 1982
(Millions of Dollars)

	Value	%
Women's & children's underwear, U.S. total	$831.0	100.0%
Leading states:		
New York	168.1	20.2
Georgia	88.6	10.7
North Carolina	76.7	9.2
Pennsylvania	74.2	8.9
New Jersey	63.0	7.6

(continued)

PRODUCT SHIPMENTS

Leading States (continued)

Value of Shipments By All Producers In Leading States, 1982
(Millions of Dollars)
(continued)

	Value	%
Women's & children's nightwear, U.S. total	$1,127.4	100.0%
Leading states:		
New York	278.7	24.7
North Carolina	166.8	14.8
Alabama	112.2	10.0
California	78.7	7.0
Pennsylvania	66.0	5.9
Brassieres, bralettes and bandeaux, U.S. total	450.8	100.0
Leading states:		
Georgia	117.3	26.0
New York	104.8	23.2
Corsets, girdles, combinations, and accessories, U.S. total	159.1	100.0
Leading states:		
New York	38.1	23.9
Pennsylvania	27.7	17.4

Source: U.S. Bureau of the Census, *1982 Census of Manufactures*

PRODUCER PRICE TRENDS

Producer (factory) prices of women's innerwear and nightwear generally rose at a higher rate in 1985 than the 1.3% rise in prices averaged for all apparel products. Producer prices for girdles and corsets had the largest gain for the year, up 5.9%. Brassiere prices were up 3.9%. In contrast, prices for nightwear rose very little and, specifically children's nightwear actually declined in price for the year.

Producer Price Index For Selected Women's Innerwear & Nightwear Items

	October Averages			Annual Averages		
	1986	1985	% Change 1986/85	1985	1984	% Change 1985/84
All apparel (12/77=100)	138.4	137.4	+ 0.7%	136.8	135.0	+1.3%
Women's and children's underwear & nightwear (6/82=100)	107.1	108.1	- 0.9	105.8	104.4	+1.3
Underwear	109.7	108.3	+ 1.3	108.3	105.8	+2.4
Women's underwear	108.9	107.3	+ 1.5	107.3	105.2	+2.0
Slips, half slips and petticoats	106.8	104.2	+ 2.5	104.5	102.2	+2.3
Panties	109.5	108.7	+ 0.7	108.6	106.8	+1.7
Children's underwear	112.7	112.7	--	112.4	108.3	+3.8
Panties	109.6	109.5	+ 0.1	109.5	106.0	+3.3

(continued)

PRODUCER PRICE TRENDS

Producer Price Index For Selected Women's Innerwear & Nightwear Items
(continued)

	October Averages			Annual Averages		
	1986	1985	% Change 1986/85	1985	1984	% Change 1985/84
Nightwear	106.7	109.2	-2.3%	105.7	104.6	+1.1%
Women's nightwear	106.9	110.1	-2.9	106.0	104.5	+1.4
Nightgowns	108.3	107.8	+0.5	105.8	105.8	--
Children's nightwear	105.8	106.0	-0.2	104.7	105.2	-0.5
Pajamas	102.4	102.7	-0.3	100.9	101.8	-0.9
Brassieres and allied garments (6/82=100)	118.6	115.7	+2.5	114.2	109.0	+4.8
Brassieres	115.2	112.4	+2.5	111.2	107.0	+3.9
Girdles, corsets, combinations and accessories	125.5	122.0	+2.9	121.7	114.9	+5.9
Knit underwear and nightwear (6/82=100)	110.0	111.5	-1.3	110.1	106.1	+3.8
Women's and children's underwear	113.0	109.8	+2.9	109.9	106.7	+3.0
Women's and children's nightwear	111.7	111.6	--	111.5	111.2	+0.3

Source: U.S. Bureau of Labor Statistics

FOREIGN TRADE

Imports

Imports of Women's & Children's Innerwear & Nightwear, January - August 1986 and 1985
(Quantity in thousands of dozens)

	January-August 1986	January-August 1985	% Change 1986/1985
Brassieres, total	9,428.6	9,298.3	+ 1.4%
Cotton	517.8	564.4	- 8.3
Synthetic	8,910.7	8,733.8	+ 2.0
Girdles & corsets, total	703.9	847.6	- 17.0
Cotton	26.6	3.1	+758.1
Synthetic	677.4	844.5	- 19.8
Underwear, total	11,621.0	9,296.1	+ 25.0
Cotton	5,190.8	4,789.3	+ 8.4
Wool	16.2	13.9	+ 16.5
Synthetic	6,348.2	4,443.7	+ 42.9

(continued)

FOREIGN TRADE

Imports (continued)

Imports of Women's & Children's Innerwear & Nightwear, January - August 1986 and 1985
(Quantity in thousands of dozens)
(continued)

	January-August		% Change
	1986	1985	1986/1985
Nightwear & pajamas, total	2,256.6	1,532.3	+ 47.3%
Cotton	1,116.9	841.6	+ 32.7
Synthetic	1,133.0	687.1	+ 64.9
Dressing gowns & robes, total	585.2	472.3	+ 23.9
Cotton	345.0	323.1	+ 6.8
Wool	1.5	2.6	- 42.3
Synthetic	229.6	140.5	+ 63.4

Note: Totals may include garments of silk and other fibers not shown separately.

Source: ILGWU based on U.S. Bureau of the Census reports

Imports of Women's & Children's Innerwear & Nightwear By Leading Countries of Origin: 1984, 1985

	Quantity (Thousands of Dozens)			C.I.F. Value* (Mil. $)		
	1985	1984	% Change 1985/84	1985	1984	% Change 1985/84
Brassieres, total	14,083.8	12,673.3	+ 11.1%	$204.5	$179.9	+ 13.7%
Cotton	765.0	233.3	+227.9	16.5	3.9	+323.1
Barbados	397.9	61.0	+552.2	10.8	1.6	+575.0
China	119.5	24.8	+381.9	1.7	0.3	+466.7
Man-made fibers	13,287.4	12,420.9	+ 7.0	186.9	175.2	+ 6.7
Philippines	3,243.3	2,979.4	+ 8.9	38.7	34.6	+ 11.8
Costa Rica	1,676.2	1,879.0	- 10.8	23.1	25.6	- 9.8
All other materials	31.4	19.1	+ 64.4	1.1	0.8	+ 37.5
Barbados	10.2	nr	--	0.3	nr	--
Hong Kong	7.8	3.7	+110.8	0.2	0.1	+100.0
Corsets, garters & other body-supporting garments	1,377.6	1,147.7	+ 20.0	27.0	21.9	+ 23.3
Mexico	547.8	434.2	+ 26.2	10.0	8.5	+ 17.6
Haiti	206.0	64.1	+221.4	3.2	1.0	+220.0

(continued)

Imports (continued)

Imports of Women's & Children's Innerwear & Nightwear By Leading Countries of Origin: 1984, 1985

(continued)

	Quantity (Thousands of Dozens)			C.I.F. Value* (Mil. $)		
	1985	1984	% Change 1985/84	1985	1984	% Change 1985/84
Undergarments, nspf, of textile materials, total	18,443.7	15,463.0	+ 19.3%	$240.7	$187.4	+ 28.4%
Not knit	3,050.9	2,506.9	+ 21.7	114.8	94.3	+ 21.7
Hong Kong	840.7	677.3	+ 24.1	35.3	29.7	+ 18.9
China	384.8	322.6	+ 19.3	13.3	10.7	+ 24.3
Knit	15,392.8	12,956.1	+ 18.8	125.9	93.1	+ 35.2
Hong Kong	6,474.9	6,819.8	- 5.1	37.4	34.4	+ 8.7
China	2,544.1	1,347.7	+ 88.8	13.7	6.4	+114.1
Pajamas, cotton, not knit	615.3	466.8	+ 31.8	26.0	18.1	+ 43.6
Hong Kong	361.2	296.1	+ 22.0	15.5	11.6	+ 33.6
Haiti	63.8	25.9	+146.3	2.3	1.0	+130.0
Dressing gowns & robes not knit, total	595.0	494.6	+ 20.3	41.2	33.6	+ 22.6
Cotton	426.6	319.4	+ 33.6	27.9	21.9	+ 27.4
Hong Kong	85.1	65.3	+ 30.3	4.3	3.2	+ 34.4
China	50.9	42.1	+ 20.9	3.9	2.4	+ 62.5
Wool or man-made fiber	154.3	166.9	- 7.5	10.2	9.8	+ 4.1
Hong Kong	67.8	56.1	+ 20.9	4.2	3.1	+ 35.5
China	24.7	49.8	- 50.4	1.5	2.3	- 34.8
Silk	14.1	8.3	+ 69.9	3.1	1.9	+ 63.2
Hong Kong	7.4	5.6	+ 32.1	1.9	1.3	+ 46.2
China	3.3	0.6	+450.0	0.4	0.1	+300.0

nr not reported
nspf not specifically provided for (not classified)

* The C.I.F. (cost, insurance, freight) value is based upon the purchase price and includes all freight, insurance and other charges (excluding U.S. import duties incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Bureau of the Census,
U.S. General Imports FT 135,
December 1985, 1984.

FOREIGN TRADE

Exports

Innerwear exports fell significantly in 1985 from 1984, with the largest drop in exports of underwear. Both knit and non-knit underwear exports fell for the year, with a total decline in quantity of 41.5% and 24.5% in their value. Shipments of brassieres overseas also was well off their 1984 total, down 24.3% in quantity and 13.6% in value. In contrast, exports of pajamas and other nightwear rose in 1985 as did non-brassiere body-supporting garments.

U.S. Exports of Women's & Children's Innerwear & Nightwear: 1984, 1985

	Quantity (Thousands of Dozens)			Value* (Millions of $)		
	1985	1984	% Change 1985/84	1985	1984	% Change 1985/84
Total, all reported categories	--	12,882.7	--	--	$119.5	--
Brassieres, total	7,667.7	10,127.2	- 24.3%	$71.9	83.2	-13.6%
Cotton	525.6	707.5	- 25.7	4.3	5.9	-27.1
Man-made fibers	6,236.0	8,290.3	- 24.8	56.1	65.6	-14.5
All other materials	906.1	1,129.4	- 19.8	11.5	11.7	- 1.7
Underwear, total	1,242.4	2,124.2	- 41.5	17.6	23.3	-24.5
Not knit	581.6	1,009.1	- 42.4	7.4	8.8	-15.9
Cotton	25.6	94.1	- 72.8	0.2	0.6	-66.7
Man-made fibers	85.6	172.8	- 50.5	1.6	1.7	- 5.9
All other materials	470.4	742.2	- 36.6	5.6	6.5	-13.8
Knit	660.8	1,115.1	- 40.7	10.2	14.5	-29.7
Cotton	258.0	415.7	- 37.9	2.3	3.4	-32.4
Man-made fibers	354.1	474.8	- 25.4	6.7	8.5	-21.2
All other materials	48.7	224.6	- 78.3	1.2	2.6	-53.8
Garters, garter belts & suspenders, total	110.5	117.8	- 6.2	1.4	0.8	+75.0
Body-supporting garments, except brassieres, total	292.1	165.2	+ 76.8	6.3	5.4	+16.7
Pajamas & other nightwear, total	336.9	262.0	+ 28.6	9.5	9.5	--
Not knit	165.7	148.4	+ 11.7	3.4	4.5	-24.4
Cotton	107.1	49.1	+118.1	2.5	1.8	+38.9
Man-made fibers	18.3	84.5	- 78.3	0.6	1.9	-68.4
Wool	1.8	4.8	- 62.5	0.1	0.3	-66.7
All other materials	38.5	10.0	+285.0	0.2	0.5	-60.0
Knit	171.2	113.6	+ 50.7	6.1	5.0	+22.0
Cotton	16.4	13.3	+ 23.3	0.6	0.6	--
Man-made fibers	104.8	80.3	+ 30.5	4.8	3.0	+60.0
Wool	1.0	4.2	- 76.2	0.03	0.2	-85.0
All other materials	49.0	29.1	+ 68.4	0.7	1.2	-41.7
Robes & dressing gowns, not knit, total	--	86.3	--	--	5.3	--
Cotton	na	39.3	--	na	1.8	--
Man-made fibers	21.3	46.3	- 54.0	2.4	3.4	-29.4
Wool	2.5	0.7	+257.1	0.09	0.05	+80.0

na not available

* The export value is based on the transaction price, including inland freight, insurance and other charges incurred in placing the merchandise alongside the carrier at the U.S. port of exportation. As defined, the value excludes the cost of loading the merchandise aboard the carrier and also excludes freight, insurance and other charges incurred beyond the port of exportation.

Source: U.S. Bureau of the Census,
U.S. General Exports FT 446 Annual 1985, 1984

AT THE RETAIL LEVEL

THE POTENTIAL MARKET

Over the next seven years, the nation's female population aged 16 years and over is projected to grow 5.6%, to 102.9 million according to the U.S. Census Bureau. From 1987 to 2005, a gain of about 16% has been projected, bringing the total to 113 million.

As the baby boom generation ages, women in the 35-54 year old age bracket will account for an increasingly larger share of the total female population. Women in this age bracket tend to be in the labor force and are at a point in their careers where earnings have increased significantly, and this is expected to have a favorable impact on upscale apparel, including innerwear.

Adult Female Population of the U.S., 1987 & Projections to 2005*
(In Millions)

	Number (Thousands)			% Change	Percent Distribution		
	1987	1994	2005	2005/1987	1987	1994	2005
Total, all ages	124,774	132,251	141,381	+ 13.3%	100.0%	100.0%	100.0%
16 years & over	97,454	102,903	113,018	+ 16.0	78.1	77.9	80.0
16 - 19	7,233	6,426	7,707	+ 6.6	5.8	4.9	5.5
20 - 34	31,323	29,068	26,706	- 14.7	25.1	22.0	18.9
35 - 54	29,352	36,202	41,249	+ 40.5	23.5	27.4	29.2
55 - 64	11,591	11,002	15,399	+ 32.9	9.3	8.3	10.9
65 & over	17,955	20,205	21,957	+ 22.3	14.4	15.3	15.5
Median age (years)	33.3	35.6	39.2	+ 17.7	--	--	--

* Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. Includes Armed Forces overseas.

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census, Current Population Reports
Series P-25, No. 952 (May 1984)

RETAIL SALES BY PRODUCT

Inner fashion purchases are projected to decline in 1987, following a down year in 1986, according to market data compiled for Kurt Salmon Associates by the National Panel Diary group. In contrast to a projected unit consumption gain of 3% for all women's wear categories, daywear purchases are expected to be flat from 1986 levels, while bra and sleepwear purchases should be down 2% and 3% respectively, for the year. Unit purchases for all three categories in 1986 were estimated to be down from 1985 levels, with bra consumption declining 6%.

RETAIL SALES BY PRODUCT

Year-to Year Changes in Purchases of Inner Fashions, 1983-1987
(Percent change in units)

	Projected	Estimated	Actual	
	1987/1986	1986/1985	1985/84	1984/83
Daywear	0	- 1.0%	- 4.0%	+ 9.0%
Bras	- 2.0%	- 6.0	- 3.0	- 1.0
Sleepwear	- 3.0	- 2.0	+ 3.0	- 6.0

Source: Kurt Salmon Associates/NPD Purchase Panel, Soft Goods Outlook for 1987

Industry analysts estimate that actual sales of lingerie will reach $6.5 billion in 1986. Bra sales are about $1.6 billion.

(Note: Information on bodywear, which is sold primarily in hosiery departments, is contained in the Fairchild Fact File on Hosiery/Legwear.)

Modern Bride magazine has compiled estimates on the share of total sales of innerwear accounted for by the bridal market, including both gifts and items purchased by the newlyweds. It reports that bridal market sales of intimate apparel or lingerie was $49.1 million in 1984, representing 1.4% of total retail sales. Bridal market sales of sleepwear that year was $44.7 million, 2.1% of all sleepwear sales.

Intimate Apparel

In January and February 1986, a mail survey was conducted by the Fairchild Market Research Department for Women's Wear Daily among key department and apparel specialty stores to develop information on the merchandising of intimate apparel. According to store executives, merchandise managers and buyers surveyed, panties were the item registering the biggest gain in sales over the preceding twelve months in department stores, while sleepwear and the combined camisole/teddy category were pinpointed as the biggest gainers in specialty stores. (Foundations were not included in this survey; they were covered in a separate survey discussed on page 24).

Among other findings, few retailers felt that the use of designer names was very helpful in promoting sales of intimate apparel compared with brand names. Somewhat more specialty store respondents found them helpful than department store respondents. In general, respondents from both store types felt that the use of designer names in connection with intimate apparel is leveling off, rather than becoming more important. Brand loyalty appears to be quite high in both department and specialty stores in all types of intimate apparel with the exception of loungewear.

The criterion generally considered most important when evaluating brands in terms of operating results was the rate of sale. Gross margins ranked second, markdowns were third and sales per square foot was the lowest rated consideration.

Among department store respondents, 59% carried store brands in intimate apparel and 41% did not. Among specialty store respondents, store brands were carried by only 17%.

Intimate Apparel (continued)

Fastest Growing Intimate Apparel Classifications*
(Percent of Survey Respondents)

	Apparel Specialty Stores	Department Stores
Robes	10.9%	4.3%
Loungewear	17.4	8.5
Slips/Petticoats	13.0	12.8
Camisoles/Teddies	21.7	17.0
Sleepwear	21.7	27.7
Panties	15.2	44.7

Note: Columns may add to more than 100.0% due to mulitiple responses.

* The survey question read: Which intimate apparel category registered the biggest gain in sales share in the last twelve month? (asked January-February 1986)

Source: Fairchild Publications Market Research Department

Foundations

In May 1985, department store and apparel specialty store executives, merchandise managers and buyers participated in a nationwide survey covering foundation merchandising conducted by the Fairchild Market Research Department. Most retailers surveyed - 68% in department stores, 62% in specialty stores, responded that their three best-selling brands were the same as three years before. About 95% in both store types said their customers display strong loyalty to specific brands. The most commonly mentioned brands with strong customer loyalty were Bali and Playtex.

Among department store respondents, their three top-selling foundation brands accounted for an average of 70% of their total foundation sales. In specialty stores, the top three brands hold an average share of 72% of the total foundation business. Few retailers represented in the study carry private label or store brand foundations -- 14% among department stores and 12.5% among specialty stores.

On average, 39% of annual foundation sales in surveyed department stores are at sale price, 33% in specialty stores. Retailers in both store types reported that June, December and January were the months that accounted for the largest percentage of their sale priced business.

RETAIL SALES BY STORE TYPE

The latest official figures on sales of merchandise lines by type of retail outlet are from the 1982 Census of Retail Trade. The complete census is compiled by the U.S. Census Bureau every five years and covers all retailers with paid employees. Results of the next census, covering operations in 1987, will not be available until sometime after 1989.

In order to classify store types, information developed in published reports is more detailed for some outlet types than others. Sales of innerwear were covered for major outlet types; however, data is lacking for catalog sellers and miscellaneous outlets carrying innerwear.

Reported Sales of Women's Innerwear By Store Type: 1982

	Stores Reporting Sales		Sales	
	Number**	% of Total	Mil. $	% of Total
Stores reporting on lingerie, sleepwear & loungewear, total	39,648	100.0%	$3,206.4	100.0%
Department stores*	7,317	18.4	2,022.5	63.1
Women's ready-to-wear stores	21,234	53.5	673.8	21.0
Women's accessory and specialty stores	1,929	4.9	135.3	4.2
Family clothing stores	8,785	22.2	368.3	11.5
Children's wear stores	383	1.0	6.5	0.2
Stores reporting on bras, girdles & corsets, total	31,056	100.0	1,969.1	100.0
Department stores*	6,914	22.3	1,182.4	60.0
Women's ready-to-wear stores	14,395	46.4	384.7	19.5
Women's accessory and specialty stores	1,812	5.8	119.4	6.1
Family clothing stores	7,807	25.1	281.4	14.3
Children's wear stores	128	0.4	1.2	0.1

* Includes discount department stores as well as traditional department stores. Sales of catalog order desks within these stores are included in the department store data.

** Each business location is separately counted as a store unit, including each unit in a multi-unit organization.

Note: Leased departments are not included in sales data of the stores in which they are operated, but are counted as separate specialty stores.

Source: U.S. Bureau of the Census,
Census of Retail Trade, 1982
Merchandise Line Sales

Contribution of Women's Inner Fashion Sales to Total Women's Wear Sales In Major Retail Outlets, 1982

	Total Women's Wear Sales (Mil. $)	% of sales accounted for by:	
		Bras, Girdles, & Corsets	Lingerie, Sleepwear, & Loungewear
Department stores*	$19,182.9	6.2%	10.5%
Women's ready-to-wear stores	18,612.1	2.1	3.6
Family clothing stores	5,640.8	5.0	6.5
Women's accessory & specialty stores	1,624.5	7.4	8.3

* Includes discount department stores as well as traditional department stores. Sales of catalog order desks within these stores are included in the department store data.

Source: U.S. Bureau of the Census,
Census of Retail Trade, 1982
Merchandise Line Sales

RETAIL SALES BY STORE TYPE

Operating Results: Department and Specialty Stores

The National Retail Merchants Association (NRMA) compiles an annual report on operating results in department and specialty stores. The most recent figures cover typical (median) results based on stores' reports covering 1985.

Women's Inner Fashion Merchandising Results in Department Stores With Total Volume Over $1 Million
(Median Results)

	Intimate Apparel (86)#	Intimate Daywear (85)#	Intimate Nightwear (67)#	Robes & Loungewear (73)#
Net sales, % change from last year	+ 0.1%	- 0.1%	+ 3.8%	+ 2.3%
Sales, % to total store sales	5.4	3.3	1.4	0.7
$ sales per square foot of selling space (main or largest selling unit)	$132.0	$146.2	$144.1	$114.7
Cumulative markon, %	52.5%	52.3%	53.2%	52.8%
Gross margin, % of sales (incl. cash discounts)	49.7	51.3	48.2	46.4
Advertising, % of net sales	2.4	2.6	2.5	3.3
Selling salaries, % of net sales	7.1	7.3	6.9	7.2
Number of stock turns (times)	2.8	2.4	3.6	3.8

Women's Inner Fashion Merchandising Results in Specialty Stores With Total Volume Over $1 Million
(Median Results)

	Intimate Apparel (14)#	Intimate Daywear (12)#
Net sales, % change from last year	- 0.5%	- 3.4%
Sales, % to total store sales	4.1	3.2
$ sales per square foot of selling space (main or largest selling unit)	$178.9	$178.9
Cumulative markon, %	50.9%	50.9%
Gross margin, % of sales (incl. cash discounts)	44.3	48.2
Advertising, % of net sales	3.0	na
Selling salaries, % of net sales	9.4	na
Number of stock turns (times)	2.2	2.0

na not available

# Number in parenthesis refers to the number of reporting firms in each category

Source: National Retail Merchants Association, Merchandising & Operating Results For 1985

RETAIL ADVERTISING

Newspaper advertising for bras and girdles is highest in March, May and December, according to data compiled by the Advertising Checking Bureau. May is the leading month, accounting for 12.7% of the annual total. The most advertising linage for lingerie, sleepwear and robes is run in May, November and December, with December the leading month by far (21.9% of the annual total).

Percent of Total Newspaper Advertising Linage
Done By Month, 1985

	Total	Jan.	Feb.	Mar.	Apr.	May	June
Bras & Girdles	100.0%	7.5	7.6	11.8	7.2	12.7	8.5
Lingerie, Sleepwear & Robes	100.0%	3.8	5.9	6.6	7.8	16.5	5.1

	July	Aug.	Sept.	Oct.	Nov.	Dec.
Bras & Girdles	4.4	9.3	7.9	6.5	5.8	10.8
Lingerie, Sleepwear & Robes	3.8	5.9	5.9	6.2	10.6	21.9

Source: The Advertising Checking Bureau, 1985

Leading Advertisers

International Playtex is, by far, the leading purchaser of magazine advertising space for women's inner fashions, spending more than $4.3 million from January 1 to August 31, 1986. According to the Publishers Information Bureau, the bulk of its expenditures were to advertise Playtex bras, with the balance going towards products from its Wow bra and panty lines. Total Playtex intimate wear ad spending, for all media, was $15 million in 1985.

The next leading magazine advertiser during this period was Jockey International, spending about $0.7 million in that media to promote its Jockey underwear for women. Other major expenditures were by Fruit of the Loom for its women's underwear line, Vanity Fair Mills for Vanity Fair bras and Lollipop panties and Maidenform for its bras, panties and lingerie.

CONSUMER PRICE TRENDS

Consumer prices for women's underwear, nightwear and hosiery rose a very slight 0.7% in November 1986 from the figure for the prior November. This increase is above the gain in prices for all apparel items, as prices for all women's & girls' apparel declined. Annual data for 1985 shows a 2.3% rise in women's underwear, nightwear and hosiery prices from 1984 totals. This increase was less than those for all apparel and all women's/girls' apparel for the period.

CONSUMER PRICE TRENDS

Consumer Price Index for Women's Inner Fashions
1984-1985 and November 1985, 1986
(1967=100, unless otherwise noted)

	November Averages			Annual Averages		
	1986	1985	% Change 1986/85	1985	1984	% Change 1985/84
All items	330.8	326.6	+ 1.3%	322.2	311.1	+ 3.6%
All apparel commodities	197.4	196.8	+ 0.3	191.6	187.0	+ 2.5
All women's and girls' apparel	175.0	176.5	- 0.8	169.5	163.6	+ 3.6
Women's underwear, nightwear, and hosiery (1977=100)	142.7	141.7	+ 0.7	140.5	137.4	+ 2.3

Source: U.S. Bureau of Labor Statistics

CONSUMER BUYING HABITS

MRCA Information Services has compiled information on patterns in purchases of women's inner fashions. The results are developed through purchase diaries maintained by members of a nationwide sample of 11,500 households and published by the Newspaper Advertising Bureau.

Findings show the seasonal pattern in purchases and the distribution of purchases by price.

Average Purchase Rate (In Units) For Women's Inner Fashions
(Per 1,000 Households)

	Average Month	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Bras	224.7	216.9	188.2	235.4	222.2	217.5	312.0	210.0	274.4	255.1	179.0	150.2	235.4
Panties	404.6	343.6	284.0	361.6	356.2	382.5	539.5	428.6	434.0	420.2	363.8	356.4	584.6
Girdles/Control garments	31.1	33.3	22.1	34.6	32.5	26.1	43.0	32.3	26.6	32.9	23.7	29.7	35.9
Slips & lingerie	100.3	104.3	81.3	85.7	84.0	90.0	100.6	78.2	65.5	97.9	83.6	115.1	217.0
Nightgowns & robes	166.2	125.2	105.9	126.9	91.7	159.5	173.8	137.9	132.4	121.3	177.2	198.9	443.1

Source: MRCA Information Services, 1984
1987 Newspaper Advertising Planbook
Newspaper Advertising Bureau

CONSUMER BUYING HABITS

Percent of Women's Inner Fashion Purchases (Units) By Price

	Bras	Girdles	Slips	Robes/ Housecoats	Sleepwear
Under $5	44.4%	17.9%	16.5%	4.7%	13.1%
$5.00 - $9.99	33.8	38.2	46.1	21.7	41.6
$10.00 - $14.99	18.1	25.2	28.1	25.2	25.3
$15.00 - $24.99	3.5	15.2	8.3	32.5	16.3
$25.00 - $34.99	0.2	3.1	0.9	10.6	2.9
$35.00 - $49.99	--	0.2	--	3.7	0.7
$50.00 & over	--	0.2	0.1	1.6	0.1

Source: MRCA Information Services, 1984
1987 Newspaper Advertising Planbook
Newspaper Advertising Bureau

Teen Girls' Buying Habits

Seventeen Magazine, in its latest Spring Apparel Buying Study, projects that teen girls (high school and college age) nationwide spent $1.1 billion on innerwear for their spring wardrobes in 1985. This represents 7.2% of their total apparel purchases.

Projected Purchases of Inner Fashions by Teenage Female Students, Spring 1985

	Number Purchasing (Thous.)	Number Purchased (Thous.)	Total Expenditures (Mil. $)
FOUNDATIONS	10,023	31,128	$298.7
Bras, Total			
Bandeau:			
- softcup	5,206	13,952	115.9
- light-padded	2,791	5,136	45.9
- underwire	1,902	4,299	52.1
Strapless/halter	3,566	3,887	44.1
One-size (stretch step-in)	863	1,641	12.8
Stretch coordinated sets (bra & brief)	788	2,213	27.9
Bodysuit-sized	476	567	10.5
One-size stretch	237	372	5.6
Girdles - Panty, brief	325	783	6.1
- Panty, short-leg	14	15	0.1
Tap pants	113	115	1.2
Total girls buying foundations	10,411	32,980	322.3

(continued)

Teen Girls' Buying Habits (continued)

Projected Purchases of Inner Fashions by Teenage Female Students, Spring 1985
(continued)

	Number Purchasing (Thous.)	Number Purchased (Thous.)	Total Expenditures (Mil. $)
LINGERIE			
Panties - bikini	8,734	53,365	$169.2
- regular	1,740	6,421	26.6
- brief	1,628	7,425	26.4
Slips - short	3,191	4,883	51.0
- bra	1,114	2,497	30.6
- long	951	952	9.2
Half-slips - short	4,028	6,767	63.1
- long	976	978	9.3
Total girls buying lingerie	11,149	83,288	385.4
SLEEPWEAR/LOUNGEWEAR			
Nightgowns - long	3,103	4,779	102.7
- short	2,015	3,709	52.7
Nightshirts - short	3,103	5,835	70.6
- long	626	705	7.2
Pajamas - shortie	1,715	2,968	36.8
- full-length	863	941	14.1
Robes - long	2,740	2,743	81.9
- short	1,076	1,207	33.0
Long culottes/lounging pajamas/ at home dresses	250	328	8.2
Total girls buying sleepwear/loungewear	8,108	23,215	407.3
Total girls buying sleepwear	7,483	18,937	284.1
Total girls buying loungewear	3,716	4,278	123.1

Source: Seventeen Magazine,
Spring Apparel Study, 1985

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS: Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS: An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are included as well as an analysis of developments that are shaping the U.S. consumer market -- living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1987 Edition): Updates information in the 1986 Edition on department and apparel specialty store sales (not including discount operation) for stores (buying headquarter locations) listed by state within the four major geographical regions of the U.S. Information on the number of stores in operation is included, as well as on plans to open stores, if available. Available data on sales of branch stores is included. Additional features include: An alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest available sales figures; a listing and sales figures for traditional department stores which have sales volumes published, or estimated, of $50 million or more in 1986; a list of conglomerates operating traditional department and apparel stores, including the names and locations of these stores.

DRESSES & CAREER APPAREL (WOMEN'S, MISSES' AND JUNIORS'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, career apparel, pants dresses, ensembles, etc. Includes number and size of manufacturers, production and value of shipments, industry location and trends in employment levels. Analyzed is the growing impact of imports on total growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc. to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS') (1987 Edition): Updates the 1986 edition with figures on U.S. manufacturers production and shipments by type of footwear. Also detailed statistics on imports and their impact on total U.S. market supply. Analyses industry trends and performance of major resources and retailers. Spotlights developments in the athletic footwear industry and consumer market. At the retail level, information is included on sales trends and merchandising results for shoe stores and for footwear departments in department stores; as well as consumer purchase patterns.

HOME TEXTILES & RELATED PRODUCTS: Includes the latest statistics on the U.S. industry, including manufacturers wide variety of products -- bed linens, towels, blankets, comforters, slip covers, pillows, curtains/draperies and hardware, shades, and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

HOSIERY/LEGWEAR/BODYWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

HOUSEHOLD APPLIANCES, ELECTRIC HOUSEWARES, HOME ENTERTAINMENT PRODUCTS: Covers a broad range of products included in these three classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

HOUSEHOLD FURNITURE AND BEDDING: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores. The potential market for work/career apparel is defined in data on trends in employment of men by occupation.

MEN'S SPORTSWEAR, CASUALWEAR, OUTERWEAR: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market. Departmental merchandising and operating results in department stores and in men's wear stores are covered.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade recently issued by the U.S. Census Bureau.

THE SPORTS/FITNESS/LEISURE MARKETS (A Fact File Special Edition): Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specific products; concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics on sports participation levels and purchases of specific sports equipment. Also buying habits in relation to activewear and sports equipment.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits.

A STATISTICAL ANALYSIS OF RETAILING (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Percentage distributions have been calculated for firms and outlet types, including single and multi-unit operations, sales concentration and geographical distribution, with comparisons with 1977 census findings where possible.

TABLETOP & GIFTWARES: Statistics included for these industries include those on both the manufacturing and retailing levels. There's coverage of production and shipments; foreign trade; retail sales; plus data on the consumer market including buying habits and expenditures.

THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures, foreign trade. Consumer expenditures by product are detailed, as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specific products.

WOMEN'S COATS, SUITS, RAINWEAR, AND FURS: Data from the domestic industry includes the number of manufacturers, industry concentration levels, trends in employment and earnings, production and value of shipments, including exports. Import trends and impact on U.S. market supply are analyzed. At the retail level, information includes consumer price trends, the size of the potential market and outlook for growth in terms of population by age group and employment trends among women. Also covers sales estimates and operating results in department and specialty store.

WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market are summarized.

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FASHION ACCESSORIES

Market Trends

A resurgence in the accessory market began in 1984 and continued through 1986, according to industry analysts. While retail sales have increased in almost every category, the largest gains were reported in the hairgoods, neckwear and jewelry classifications. Following the Christmas 1986 selling season, which was above expectations, industry observers are confident of continued growth in 1987. Kurt Salmon Associates, a New York based consulting company, estimates that unit sales of accessories will increase 3% in 1987, overall.

The continuing upward curve in sales can be attributed to many factors, but among the key reasons are increased training of sales personnel by manufacturers, more aggressive merchandising techniques and campaigns to educate consumers on how to wear accessories.

A major change in merchandising has been the growth of open-sell -- putting merchandise on top of counters and in open fixtures rather than displaying in showcases. This technique fosters innovative display, overcomes the lack of sales help many retailers are experiencing, and encourages experimentation by customers. Accessories also provide a relatively inexpensive way to update wardrobes -- an important consideration for young consumers.

At the U.S. manufacturer level, however, imports are taking their toll. The International Trade Administration reports that the import-to-new supply ratio for luggage and personal leather goods reached 52.6% in 1986, while the same ratio for precious metal jewelry stood at 33.5%; for costume jewelry, 31.3%. Between 1979 and 1984, the compound annual growth rate for accessory imports was more than 10%. As the value of the U.S. dollar began to decline in 1986 making imports more expensive, the flow of foreign goods eased somewhat, although there was still growth in most categories.

Domestic manufacturers have been forced to consolidate operations in order to remain competitive with imports. Despite a falling U.S. dollar, imports in some categories remain strong. In precious metal jewelry, for example imports from Switzerland soared 45%, although the dollar depreciated 41% against Swiss currency. Imports from Italy were unchanged in 1986 despite a dive of 31% in the U.S. dollar against the Italian lira. Foreign manufacturers have responded to the lower value of the U.S. dollar by cutting their own profit margins in some cases in order to maintain market share, while some are moving manufacturing facilities to countries less severely affected by the fall of the dollar.

The major advantage domestic manufacturers retain over imported goods is the ability to fill orders quickly and to react faster to fashion changes in the market. With many retailers maintaining only minimum inventory levels in order to control costs, turn around time on reorders has become a major concern to buyers in selecting vendors. Many domestic vendors have also abandoned the low-end market and are concentrating on specialized, higher-priced merchandise.

The ITA has estimated the total value of industry shipments including major segments of the industry at $6,674 million in 1986, 2.3% above the 1985 total. Over half (51%) of this total was accounted for by precious metal jewelry; costume jewelry, almost 20%.

According to the International Trade Administration, precious metal jewelry is expected to be the fastest growing accessory in 1987 in real terms. Luggage and leather gloves and mittens are expected to be the next fastest growing categories.

FASHION ACCESSORIES

Market Trends
(continued)

Projected Real Growth of Selected Accessory Categories, 1987/1986
(Values in 1982 dollars)

	Value of Product Shipments % Change 1987/1986
Precious metal jewelry	+ 2.9%
Costume jewelry	+ 0.9
Leather gloves & mittens	+ 2.0
Luggage	+ 2.0
Handbags & purses	- 2.0

Source: U.S. Department of Commerce
1987 U.S. Industrial Outlook
International Trade Administration

An exact figure on the annual retail value of U.S. accessory market is not available. However, it is believed that sales in 1985 were between $13 billion and $14 billion, excluding jewelry.

Overall, the women's accessory market is benefiting from the trends in apparel towards understated, simple, conservative clothing which is easily ornamented. The most popular types of accessories in 1986 were classic patterns and restrained looks, according to industry analysts. The fastest growing categories in the women's accessory segment are hair ornaments (particularly bows) and neckwear. Scarves have been steadily growing over the last several years and buyers report open-to-buys in the category have increased significantly.

For men, suspenders (or braces) have quickly become a star performer and a fashion fad. This fad began in early 1986 and suspenders are selling well at all levels. Like neckwear, they come in enough unique fabrics and patterns to give a man means to express his personality. Growth in suspenders has come at the expense of belts; however, belt manufacturers report that exotic skin belts -- snake skin, to alligator and ostrich, are now helping to shore up the battered category.

In the small leather goods segment, the introduction of color and newness by new entrants into the category, such as Liz Claiborne, have turned the business into a year-round affair rather than a holiday/gift one. Many retailers report that new presentations of merchandise to customers have led to double-digit increase in the category. Color is believed to be the driving force behind the resurgence of gloves as a fashion item.

The jewelry industry is highly cyclical and affected by changes in disposable personal income and consumer sentiment. For three straight years, personal income has increased (1984-1986) and consumer sentiment as measured in the University of Michigan's consumer attitude index has remained relatively high. Industry analysts predict that the jewelry segment should show continued growth in 1987.

FASHION ACCESSORIES

Market Trends

Accessories cannot be defined in a single standard industry classification whose value or size is readily measured, due to the wide variety of products in the category. Some accessories, notably belts and trimmings, such as buckles and the like, are either sold to apparel manufacturers who use them as part of their finished garments or at retail, further complicating the retail sales estimates for accessories.

The distinction between items included in the men's furnishings category and in men's accessories is also subject to varying interpretations. Information on men's neckwear, hats and underwear is covered in detail in the Men's Furnishings & Work Wear Fact File and information on men's and women's hosiery is detailed in the Hosiery Legwear Fact File.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

A complete census of all manufacturers in the U.S. that have one or more paid employees is compiled every five years by the U.S. Bureau of the Census. Results from the latest, covering 1982 operations in major components of the accessory classifications, are covered below. Comparable figures are reported from the 1985 annual surveys of manufactures, conducted by the Census Bureau, using a sample of manufacturers in order to develop estimates on key measurements of manufacturing activity. These are done during intercensal periods.

The number of manufacturing establishments in the U.S. industry has been declining for many years. Industry shipments, have generally been rising; however, values are reported in current dollars and inflation has to be taken into account when making comparisons.

Industry Trends in Accessories Classifications, 1982, 1985

	Costume Jewelry (SIC 3961*)			Precious Metal Jewelry (SIC 3911*)		
	1985	1982	% Change 1985/1982	1985	1982	% Change 1985/1982
Number of companies	na	780	na	na	2,159	na
Number of establishments, total**	na	785	na	na	2,193	na
Number with 20 or more employees	na	186	na	na	387	na
Employees, total (thous.)	18.7	21.1	- 11.4	33.7	35.3	- 4.5
Production workers (thous.)	13.5	15.7	- 14.0	23.0	23.7	- 3.0
Payroll (mil. $)	$ 292.5	$ 263.3	+ 11.1	$ 579.7	$535.8	+ 8.2
Value added by manufacture ## (mil. $)	762.7	588.9	+ 29.5	1,318.8	1,278.8	+ 3.1
Value of industry shipments### (mil. $)	1,265.0	1,027.1	+ 23.2	3,133.4	3,039.1	+ 3.1
Capital expenditures, new (mil. $)	19.9	16.6	+ 19.9	26.1	33.4	- 21.9
Machinery & equipment (mil. $)	na	12.7	na	na	28.4	na

(continued)

Industry Trends in Accessories Classifications, 1982, 1985
(continued)

	Watches, Clocks (SIC 3873*)			Apparel Belts (SIC 2387*)		
	1985	1982	% Change 1985/1982	1985	1982	% Change 1985/1982
Number of companies	na	227	na	na	317	na
Number of establishments, total**	na	237	na	na	319	na
Number with 20 or more employees	na	87	na	na	143	na
Employees, total (thous.)	11.8	16.8	- 29.8	9.7	11.7	- 17.1
Production workers (thous.)	8.7	12.3	- 29.3	7.5	9.2	- 18.5
Payroll (mil. $)	$ 210.4	$ 248.1	- 15.2	$ 120.5	$137.7	- 12.5
Value added by manufacture ## (mil. $)	418.6	483.5	- 13.4	278.3	305.4	- 8.9
Value of industry shipments### (mil. $)	912.1	1,187.6	- 23.2	504.9	556.5	- 9.3
Capital expenditures, new (mil. $)	15.8	14.6	+ 8.2	2.2	8.3	- 73.5
Machinery & equipment (mil. $)	na	11.6	na	na	3.9	na

	Fabric Dress & Work Gloves (SIC 2381*)			Leather Gloves (SIC 3151*)		
	1985	1982	% Change 1985/1982	1985	1982	% Change 1985/1982
Number of companies	na	78	na	na	80	na
Number of establishments, total**	na	102	na	na	96	na
Number with 20 or more employees	na	64	na	na	54	na
Employees, total (thous.)	6.6	6.8	- 2.9	3.5	3.9	- 10.3
Production workers (thous.)	6.7	6.1	—	3.1	3.3	- 6.1
Payroll (mil. $)	$ 58.5	$ 51.2	+ 14.3	$ 32.3	$ 36.6	- 11.7
Value added by manufacture ## (mil. $)	138.2	104.7	+ 32.0	65.5	72.5	- 9.7
Value of industry shipments### (mil. $)	261.3	208.4	+ 25.4	177.6	177.6	—
Capital expenditures, new (mil. $)	1.5	3.4	- 55.9	1.0	0.7	+ 42.9
Machinery & equipment (mil. $)	na	1.5	na	na	0.5	na

	Women's Handbags (SIC 3171*)			Small Leather Goods (SIC 3172*)		
	1985	1982	% Change 1985/1982	1985	1982	% Change 1985/1982
Number of companies	na	383	na	na	239	na
Number of establishments, total**	na	393	na	na	243	na
Number with 20 or more employees	na	148	na	na	87	na
Employees, total (thous.)	10.8	15.4	- 29.9	7.6	9.9	- 23.2
Production workers (thous.)	8.6	13.2	- 34.8	6.2	7.3	- 15.1
Payroll (mil. $)	$ 124.6	$ 158.5	- 21.4	$ 109.9	$112.6	- 2.4
Value added by manufacture ## (mil. $)	278.2	320.4	- 13.2	231.2	243.6	- 5.1
Value of industry shipments### (mil. $)	559.7	623.7	- 10.3	388.1	411.4	- 5.6
Capital expenditures, new (mil. $)	4.6	5.6	- 17.9	5.4	3.2	- 68.8
Machinery & equipment (mil. $)	na	4.2	na	na	3.0	na

(continued)

Industry Trends in Accessories Classifications, 1982, 1985
(continued)

	Luggage (SIC 3161*)			Millinery (SIC 2351*)		
	1985	1982	% Change 1985/1982	1985	1982	% Change 1985/1982
Number of companies	na	287	na	na	105	na
Number of establishments, total**	na	292	na	na	105	na
Number with 20 or more employees	na	131	na	na	36	na
Employees, total (thous.)	13.1	16.0	- 18.1	2.2	2.5	- 12.0
Production workers (thous.)	9.8	12.5	- 21.6	1.9	2.2	- 13.6
Payroll (mil. $)	$ 189.5	$ 193.8	- 2.2	$ 24.4	$ 24.5	- 0.4
Value added by manufacture ## (mil. $)	371.9	432.8	- 14.1	42.7	40.6	+ 5.2
Value of industry shipments### (mil. $)	724.6	789.0	- 8.2	100.6	89.9	+ 11.9
Capital expenditures, new (mil. $)	10.6	12.0	- 11.7	na	0.4	na
Machinery & equipment (mil. $)	na	9.5	na	na	0.2	na

na not available

* Manufacturers are classified by industry under the Standard Industrial Classification System (SIC), determined by the principal product made as shown below. In some cases (i.e. Watches, Clocks), non-accessory products are included in the classification.

SIC 3961 covers manufacturers specializing in the production of costume jewelry, costume novelties and ornaments made of all materials except precious metal, etc.

SIC 3911 covers manufacturers specializing in the production of jewelry and other articles worn on or carried about the person, made of precious metals with or without stones, including cigarette cases and lighters, vanity cases and compacts; trimmings for umbrellas and canes; and jewel settings and mountings.

SIC 3873 covers manufacturers specializing in the production of clocks, watches, watchcases, mechanisms for clockwork-operated devices and clock and watch parts, as well as establishments primarily engaged in assembling clocks and watches from purchased movements and cases.

SIC 2387 covers manufacturers specializing in the production of men's and women's apparel belts, regardless of material.

SIC 2381 covers manufacturers specializing in the production of dress, semi-dress and work gloves and mittens, cut and sewn from purchased woven or knit fabric, or these fabrics combined with leather or plastic.

(continued)

GENERAL INDUSTRY STATISTICS

SIC 3151 covers manufacturers specializing in the production of dress, semi-dress and work gloves exclusively of leather or leather with lining of other material.

SIC 3171 covers manufacturers specializing in the production of women's handbags and purses of leather or other materials, except precious metals.

SIC 3172 covers manufacturers specializing in the production of small articles, such as billfolds, key cases, and coin purses of leather or other materials, except precious metals.

SIC 3161 covers manufacturers specializing in the production of luggage of leather or other material.

SIC 2351 covers manufacturers specializing in the production of women's, misses', children's and infants' millinery.

** Covers manufacturing establishments only, and each location is separately counted. Not included are separate auxiliary locations serving the plants (i.e. administrative offices, purchasing offices, sales promotion offices, etc.)

Note: Dollar values are in terms of current dollars--not adjusted for inflation. This should be taken into account when comparing results for 1982 and 1977.

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

Value of industry shipments represents the net selling values, f.o.b. plant, after discounts and allowances, and excluding freight charges and excise taxes. This value includes both products described as primary to the industry and secondary products and miscellaneous receipts (including receipts for contract work and resales). Available data on the total value of specific products shipped by both those classified in the industry (primary producers) and by secondary producers (who are classified in other industries) are covered in the value of shipments reported on pages 14-19.

Source: U.S. Bureau of the Census,
1982 Census of Manufactures
1985 Annual Survey of Manufactures

GENERAL INDUSTRY STATISTICS

Industry Shipments

Based on data compiled by the Census Bureau, the International Trade Administration compiles annual projections covering industry and product shipments on a constant and a current dollar basis for a limited number of accessory categories.

Overall, industry shipments of reported categories of accessories are projected to rise 2.3% in 1986, however, if the effects of inflation are removed, the increase is projected to be 1.1%.

The only categories which registered gains in industry shipments in 1986 were precious metal jewelry and costume jewelry. Shipments of precious metal jewelry are estimated to have climbed from $3,180 million in 1984 to $3,405 million in 1986. In the costume jewelry segment, shipments increased from $1,186 million to $1,310 million during the same period.

Value of Industry Shipments: 1985, 1986
(Dollar figures in millions)

	Current Dollars			Constant (1982) dollars		
	1986(p)	1985(p)	% Change 1986/85	1986	1985	% Change 1986/85
Total, reported categories	$6,674	$6,525	+ 2.3%	$6,309	$6,242	+ 1.1%
Precious metal jewelry	3,405	3,275	+ 4.0	3,375	3,275	+ 3.1
Costume jewelry	1,310	1,245	+ 5.2	1,142	1,134	+ 0.7
Leather gloves & mittens	180	182	- 1.1	186	189	- 1.6
Luggage	818	843	- 3.0	746	765	- 2.5
Handbags & purses	568	579	- 1.9	502	518	- 3.1
Small leather goods	393	401	- 2.0	358	361	- 0.8

(p) projections

Source: U.S. Department of Commerce,
International Trade Administration:
1987 U.S. Industrial Outlook

Employment & Earnings

The Bureau of Labor Statistics reports that between 1985 and 1986, U.S. production worker employment declined in all six measured accessory categories. The watches, clocks and watchcases segment recorded the largest decline with the number of production workers in that segment falling 12.4%.

A decline in production worker employment has been ongoing for many years. The accessory industry is highly labor-intensive and, as such, is highly sensitive to cost advantages in developing countries and currency fluctuations. Imports are a major factor in the decline in the industry. Industry sources report that imports account for as much as 60% of domestic supply in some accessory categories.

It should be noted that employment and earnings data issued by the Bureau of Labor Statistics and by the Census Bureau are not directly comparable due to differences in methodology used by each agency in compiling data.

GENERAL INDUSTRY STATISTICS

Employment & Earnings

Employment & Earnings in Specified Accessories Industries, 1984 - 1986

	Annual Average			Percent Change	
	1986(p)	1985	1984	1986/85	1986/84
Costume jewelry (SIC 3961)					
All employees (thous.)	21.9	22.2	23.1	- 1.4%	- 5.2%
Production workers (thous.)	16.9	17.1	17.6	- 1.2	- 4.0
Avg. weekly hours	38.0	38.0	35.8	--	+ 6.1
Avg. weekly earnings	$212.04	$209.38	$189.38	+ 1.3	+12.0
Precious metals jewelry (SIC 3911)					
All employees (thous.)	36.2	37.2	36.7	- 2.7	- 1.4%
Production workers (thous.)	24.8	25.3	25.4	- 2.0	- 2.4
Avg. weekly hours	37.8	38.0	37.5	- 0.5	+ 0.8
Avg. weekly earnings	$307.69	$298.30	$285.38	+ 3.1	+ 7.8
Women's handbags & personal leather goods (SIC 317)					
All employees (thous.)	19.8	21.5	24.5	- 7.9	-19.2
Production workers (thous.)	15.8	17.4	20.0	- 9.2	-21.0
Avg. weekly hours	37.1	37.1	36.9	--	+ 0.5
Avg. weekly earnings	$212.21	$208.13	$203.69	+ 2.0	+ 4.2
Watches, clocks & watchcases (SIC 387)					
All employees (thous.)	11.1	12.3	14.1	- 9.8	-21.3
Production workers (thous.)	7.8	8.9	10.0	-12.4	-22.0
Avg. weekly hours	39.9	39.4	41.1	+ 1.3	- 2.9
Avg. weekly earnings	$279.70	$270.68	$270.85	+ 3.3	+ 3.3
Luggage (SIC 316)					
All employees (thous.)	10.9	11.3	13.2	- 3.5	-17.4
Production workers (thous.)	7.8	8.4	9.8	- 7.1	-20.4
Avg. weekly hours	38.3	38.7	38.1	- 1.0	+ 0.5
Avg. weekly earnings	$237.08	$250.00	$244.22	- 5.2	- 2.9

(p) preliminary

Source: U.S. Bureau of Labor Statistics, Employment & Earnings

Industry Concentration

The accessory industry is dominated by small companies, which for the most part, operate only one plant. However, it is the larger multi-unit operations which account for the majority of industry shipments. In only three of the ten measured segments of the accessory industry did single unit operations represent the majority of industry shipments according to data on industry concentration compiled by the U.S. Census Bureau in the 1982 census of manufactures.

The top 50 companies, based on shipments and miscellaneous receipts, accounted for well over half of the total business done in almost all segments of the accessories industry classification.

GENERAL INDUSTRY STATISTICS

Industry Concentration

Single & Multiunit Companies' Share of Shipments, 1982

		Plants		Employees		Value of Industry Shipments	
	Companies	No.	%	Thous.	%	Thous. $	%
Costume jewelry	780	785	100.0%	21.1	100.0%	$1,027.1	100.0%
Multiunit companies	41	46	5.9	8.7	41.2	515.1	50.2
Single unit companies	739	739	94.1	12.4	58.8	512.1	49.8
Precious metal jewelry	2,159	2,193	100.0%	35.3	100.0%	3,039.1	100.0%
Multiunit companies	102	136	6.2	13.3	37.7	1,232.7	40.6
Single unit companies	2,057	2,057	93.8	22.0	62.3	1,806.3	59.4
Watches, clocks & watchcases	227	237	100.0%	16.8	100.0%	1,187.6	100.0%
Multiunit companies	38	48	20.3	12.0	71.4	911.7	76.8
Single unit companies	189	189	79.7	4.7	28.6	275.8	23.2
Apparel belts	317	319	100.0%	11.7	100.0%	556.5	100.0%
Multiunit companies	18	20	6.3	2.6	22.2	168.1	30.2
Single unit companies	299	299	93.7	9.1	77.8	388.4	69.8
Fabric dress & work gloves	78	102	100.0%	6.8	100.0%	208.4	100.0%
Multiunit companies	29	53	52.0	5.4	79.4	169.2	81.2
Single unit companies	49	49	48.0	1.4	20.6	39.2	18.8
Leather gloves	80	96	100.0%	3.9	100.0%	177.6	100.0%
Multiunit companies	22	38	39.6	2.6	66.7	135.1	76.1
Single unit companies	58	58	60.4	1.2	33.3	42.5	23.9
Women's handbags & purses	383	393	100.0%	15.4	100.0%	623.7	100.0%
Multiunit companies	23	33	8.4	4.9	31.8	268.6	43.1
Single unit companies	360	360	91.6	10.5	68.2	355.0	56.9
Small leather goods	239	243	100.0%	9.9	100.0%	411.4	100.0%
Multiunit companies	23	27	11.1	4.9	49.5	222.7	54.1
Single unit companies	216	216	88.9	5.0	50.5	188.7	45.9
Luggage	286	292	100.0%	16.0	100.0%	789.0	100.0%
Multiunit companies	31	37	12.7	8.0	50.0	478.4	60.6
Single unit companies	255	255	87.3	8.0	50.0	310.6	39.4
Millinery	105	105	100.0%	2.5	100.0%	49.6	100.0%
Multiunit companies	3	3	2.9	(D)	na	(D)	na
Single unit companies	102	102	97.1	(D)	na	(D)	na

(D) Withheld to avoid disclosure
na not available

Source: U.S. Bureau of the Census
1982 Census of Manufactures:
Type of Organization, Subject Series (MC82-S-5)

GENERAL INDUSTRY STATISTICS

Industry Concentration

The majority of manufacturing facilities in every measured segment of the accessory industry employed fewer than 49 employees in 1982 according to the Census Bureau. The precious metal jewelry segment had the highest concentration of small plants with 83.3 percent of plants employing less than 20 employees. Costume jewelry ranked second with 76.3% of facilities fitting into this group.

Generally, however, it is the larger plants, with 100 or more employees, which account for the bulk of industry shipments. In the precious metal jewelry segment only 2.5% of plants had 100 or more workers yet these plants made 41.5% of industry shipments in 1982.

Concentration By Employment Size, 1982

	Establishments		Value Added By Manufacture*		Industry Shipments*	
	Number	%	(Mil. $)	%	(Mil. $)	%
Costume jewelry industry, U.S. total	785	100.0%	$ 588.9	100.0%	$1,027.1	100.0%
By establishment (plant) size:						
Under 20 employees	599	76.3	76.8	13.0	144.0	14.0
20 - 49 employees	101	12.9	71.0	12.1	130.8	12.7
50 - 99 employees	43	5.5	61.8	10.5	114.0	11.1
100 or more employees	42	5.4	379.3	64.4	638.3	62.1
Precious metal jewelry industry U.S. total	2,193	100.0	1,278.8	100.0	3,039.1	100.0
By establishment (plant) size:						
Under 20 employees	1,826	83.3	295.0	23.1	715.1	23.5
20 - 49 employees	231	10.5	234.3	18.3	603.0	19.8
50 - 99 employees	82	3.7	171.6	13.4	460.1	15.1
100 or more employees	54	2.5	577.9	45.2	1,260.9	41.5
Watches and clock industry, U.S. total	237	100.0	483.5	100.0	1,187.6	100.0
By establishment (plant) size:						
Under 20 employees	150	63.3	21.6	4.5	48.6	4.1
20 - 49 employees	37	15.6	31.8	6.6	65.9	5.5
50 - 99 employees	17	7.2	31.6	6.5	74.9	6.3
100 or more employees	33	13.9	398.5	82.4	998.2	84.1
Apparel belt industry, U.S. total	319	100.0	305.4	100.0	556.5	100.0
By establishment (plant) size:						
Under 20 employees	176	55.2	25.8	8.4	51.5	9.3
20 - 49 employees	75	23.5	57.7	18.9	101.2	18.2
50 - 99 employees	41	12.9	66.6	21.8	117.4	21.1
100 or more employees	27	8.5	155.3	50.9	286.4	51.5

(continued)

GENERAL INDUSTRY STATISTICS

Industry Concentration

Concentration By Employment Size, 1982
(continued)

	Establishments		Value Added By Manufacture*		Industry Shipments*	
	Number	%	(Mil. $)	%	(Mil. $)	%
Fabric dress & work glove industry, U.S. total	102	100.0	104.7	100.0	208.4	100.0
By establishment (plant) size:						
Under 20 employees	38	37.3	7.4	7.1	16.5	7.9
20 - 49 employees	23	22.5	9.0	8.6	18.0	8.2
50 - 99 employees	15	14.7	14.9	14.2	27.6	13.2
100 or more employees	26	25.5	73.4	70.1	146.3	70.2
Leather glove industry U.S. total	96	100.0	72.5	100.0	177.6	100.0
By establishment (plant) size:						
Under 20 employees	42	43.8	5.3	7.3	12.6	7.1
20 - 49 employees	28	29.2	20.1	27.7	43.7	24.6
50 - 99 employees	15	15.6	16.4	22.6	38.9	21.9
100 or more employees	11	11.5	30.8	42.5	82.4	46.4
Women's handbag industry, U.S. total	393	100.0	320.4	100.0	623.7	100.0
By establishment (plant) size:						
Under 20 employees	245	62.3	28.2	8.8	56.1	9.0
20 - 49 employees	69	17.6	38.4	11.9	77.0	12.3
50 - 99 employees	41	10.4	60.4	18.9	110.2	17.7
100 or more employees	38	9.7	193.4	60.4	380.4	61.0
Small leather goods industry U.S. total	243	100.0	243.6	100.0	451.4	100.0
By establishment (plant) size:						
Under 20 employees	156	64.2	21.3	8.7	34.8	7.7
20 - 49 employees	39	16.0	25.3	10.4	44.0	9.7
50 - 99 employees	27	11.1	60.4	24.8	97.0	21.5
100 or more employees	21	8.6	136.6	56.1	275.6	61.8
Luggage industry, U.S. total	292	100.0	432.8	100.0	789.0	100.0
By establishment (plant) size:						
Under 20 employees	161	55.1	25.6	5.9	47.0	6.0
20 - 49 employees	60	20.5	34.2	7.9	64.4	8.2
50 - 99 employees	36	12.3	61.4	14.2	110.0	13.9
100 or more employees	35	12.0	311.6	72.0	567.6	71.9
Millinery industry, U.S. total	105	100.0	40.6	100.0	89.9	100.0
By establishment (plant) size:						
Under 20 employees	69	65.7	11.4	28.1	22.1	24.6
20 - 49 employees	24	22.9	13.6	33.5	31.1	34.6
50 - 99 employees	8	7.6	7.2	17.7	17.0	18.9
100 or more employees	4	3.8	8.5	20.9	19.7	21.9

* For an explanation of terms see page 6

Source: U.S. Bureau of the Census,
1982 Census of Manufactures

GENERAL INDUSTRY CONCENTRATION

Industry Location

The following table, based on the 1982 Census of Manufactures, covers the states which lead in the value added by manufacture in plants classified in industries related to men's and women's accessories.

New York was the leading state in eight of the ten reported categories in 1982. It represented more than half of the value added by manufacturer of women's handbags and purses, as well as in the millinery industry. Massachusetts held the bulk of value added in the costume jewelry industry, while North Carolina was the leader in fabric dress and work gloves.

Industry Statistics For Leading States, 1982

	All Plants		Employees		Value Added by Manufacture	
	Total	With 20+ Employees	No. (thous.)	% of Total	Mil. $	% of Total
Costume jewelry, U.S. total	785	186	21.1	100.0%	$ 588.9	100.0%
Leading states:						
Massachusetts	36	17	2.1	10.0	76.6	13.0
New York	177	38	2.6	12.3	58.2	9.9
Connecticut	11	6	1.8	8.5	51.2	8.7
California	73	9	1.1	5.2	30.5	5.2
New Jersey	22	7	0.8	3.8	24.0	4.1
Precious metal jewelry, U.S. total	2,193	367	35.3	100.0	1,278.8	100.0
Leading states:						
New York	770	161	11.3	32.0	424.0	33.2
Rhode Island	233	60	6.1	17.3	226.5	17.7
California	270	29	3.1	8.8	116.7	9.1
Massachusetts	77	19	3.5	9.9	112.2	8.8
Texas	77	14	2.0	5.7	95.8	7.5
Watches, clocks & watchcases U.S. total	237	87	16.8	100.0	483.5	100.0
Leading states:						
New York	56	21	2.8	16.7	57.1	11.8
Michigan	9	5	0.9	5.4	37.0	7.7
Illinois	17	6	1.4	8.3	29.3	6.1
Massachusetts	11	4	0.8	4.8	24.6	5.1
Pennsylvania	9	5	0.5	3.0	19.2	4.0
Apparel belts, U.S. total	319	143	11.7	100.0	305.4	100.0
Leading states:						
New York	165	73	5.1	43.7	119.4	39.1
Texas	25	14	1.3	11.1	28.9	9.5
California	40	16	1.1	9.4	25.6	8.4
Pennsylvania	13	8	0.7	6.0	19.4	6.4
Massachusetts	8	6	0.6	5.1	17.9	5.9

(continued)

GENERAL INDUSTRY STATISTICS

Industry Location

Industry Statistics For Leading States, 1982

	All Plants		Employees		Value Added by Manufacture	
	Total	With 20+ Employees	No. (thous.)	% of Total	Mil. $	% of Total
Fabric dress & work gloves, U.S. total	102	64	6.8	100.0%	$ 104.7	100.0%
Leading states:						
North Carolina	14	11	1.6	23.5	15.9	15.2
New York	11	3	0.3	4.4	11.5	11.0
Tennessee	4	4	0.5	7.4	4.7	4.5
Georgia	6	6	0.4	5.9	2.9	2.8
Leather gloves, U.S. total	96	54	3.9	100.0	72.5	100.0
Leading states:						
New York	24	10	1.0	25.6	15.6	21.5
Wisconsin	16	10	0.5	12.8	8.5	11.7
Women's handbags & purses, U.S. total	393	148	15.4	100.0	320.4	100.0
Leading states:						
New York	193	78	6.2	40.3	170.0	53.1
New Jersey	22	11	1.1	7.1	21.0	6.6
Florida	19	8	1.3	8.4	17.2	5.4
California	42	10	1.2	7.8	15.6	4.9
Pennsylvania	10	3	0.5	3.2	9.8	3.1
Small leather goods, U.S. total	243	87	9.9	100.0	243.6	100.0
Leading states:						
New York	69	26	2.7	27.3	60.5	24.8
New Jersey	13	7	0.8	8.1	32.3	13.3
California	52	13	0.7	7.1	13.0	5.3
Texas	8	3	0.2	2.0	6.4	2.6
Luggage, U.S. total	292	131	16.0	100.0	432.8	100.0
Leading states:						
New York	64	40	3.6	22.5	82.7	19.1
Tennessee	10	9	2.8	17.5	72.1	9.8
California	43	18	1.3	8.7	27.2	6.3
Illinois	27	12	0.7	4.4	16.1	3.7
Pennsylvania	12	4	0.7	4.4	12.8	3.0
Millinery, U.S. total	105	36	2.5	100.0	40.6	100.0
Leading states:						
New York	69	22	1.5	60.0	25.7	63.3
Pennsylvania	4	4	0.2	8.0	2.3	5.7

Source: U.S. Bureau of the Census,
1982 Census of Manufactures

PRODUCTION

The National Cotton Council of America, Memphis, Tenn., compiles information on production on gloves and handkerchiefs on an annual basis.

Production of Gloves & Handkerchiefs, 1983-1985
(Thousands of dozens)
(continued)

	1985	1984	1983
Gloves & mittens (men's & women's) (pairs)	24,425	20,463	17,811
Principally knit	10,802	8,166	6,619
Principally woven	13,046	11,669	10,508
Leather & fabric combination excluding all leather	577	628	684
Handkerchiefs (men's)	6,346	6,981	6,346
Handkerchiefs (women's)	2,526	2,578	2,344

Source: Economic Services,
National Cotton Council of America:
Cotton Counts its Customers

PRODUCT SHIPMENTS

In contrast with "industry shipments" previously covered and defined on page 6, the value of product shipments covers the total value of shipments of specified items by all U.S. manufactures, regardless of industry classification based on primary products.

According to a survey of manufacturers concerning the outlook for shipments of fashion accessories, conducted by Kurt Salmon Associates, unit shipments are expected to rise about 9% in 1987, while the value of these shipments is expected to show a 12% increase. Luggage manufacturers are expected to show a 12% increase in unit shipments in 1987, with the dollar volume increasing 13%.

Estimated Growth of Accessory Shipments, 1987

	Fashion accessories & small leather goods	Luggage
Unit shipments	+ 9%	+ 12%
Value of shipments	+ 12	+ 13

Source: Kurt Salmon Associates
Soft Goods Outlook 1987

The complete Census of Manufactures which is conducted every five years by the U.S. Census Bureau (the most recent covering operations in 1982) provides the most detailed information available on U.S. manufacturers of accessories items.

In intercensal years the U.S. Bureau of the Census compiles surveys among manufacturers to develop information on key manufacturing statistics. A limited number of accessory categories are covered in these surveys, the latest available of which is for the year 1985. Findings compared with 1982 census data are reported in the following table.

PROUDCT SHIPMENTS

Summary of Value of Shipments
By All U.S. Producers of Specified Accessories, 1982 - 1985

	Value of Shipments (Million $)				% Change
	1985	1984	1983	1982	1985/84
Jewelry, precious metal & costume jewelry	$4,249.5	$4,137.3	$3,993.8	$3,771.8	+ 2.7%
Precious metal jewelry	2,992.3	3,003.9	2,881.9	2,823.2	- 0.4
Platinum and karat gold jewelry	2,397.6	2,379.4	2,112.6	2,076.5	+ 0.8
Other precious metal jewelry	264.9	283.9	418.3	411.0	- 6.7
Jewelry, n.s.k.	329.8	340.5	351.0	335.7	- 3.1
Costume jewelry	1,257.2	1,133.4	1,111.9	948.6	+ 10.9
Watches	(D)	(D)	391.7	516.3	--
Watches with imported movements or modules	(D)	(D)	391.7	475.9	--
Watches with domestic movements or modules, clock cases & parts	(D)	(D)		58.4	--
Apparel belts*	442.6	475.6	492.4	474.2	- 6.9
Leather belts	277.5	278.2	272.8	261.5	- 0.3
Belts, other than leather	136.2	155.6	179.9	164.7	- 12.5
Other, n.s.k.	28.9	41.8	39.7	48.0	- 30.9
Gloves, Fabric, dress & work, leather	380.0	362.4	338.6	345.3	+ 4.9
Fabric dress & work gloves	226.9	217.0	208.9	206.6	+ 4.6
Dress, semi dress & work gloves & mittens	200.5	204.0	191.8	195.0	- 1.7
Fabric dress & work gloves, n.s.k.	26.4	13.0	17.1	11.6	+103.1
Leather gloves & mittens	153.1	145.4	129.7	138.7	+ 5.3
Small personal leather goods	401.7	405.2	418.8	393.1	- 0.9
Handbags & purses	444.5	483.4	507.4	524.9	- 8.0
Millinery	104.6	104.5	89.9	87.7	+ 0.1
Luggage	626.9	717.7	675.9	647.3	- 12.7
Other accessories	--	--	--	--	--
Cotton handkerchiefs	na	nr	nr	41.0	--
Umbrellas, parasols & canes	na	60.3	66.4	64.9	--
Sun or glare glasses & sungoggles, ready-made	na	nr	nr	nr	--
Women's, misses' & juniors' scarfs, dickies & neckwear	na	nr	nr	34.0	--

* Excludes belts made and sold as part of garments
**Includes types not specified by kind
na not available
nr not reported
n.s.k. not specified by kind

Source: U.S. Bureau of the Census,
1985 Annual Survey of Manufactures,
Current Industrial Reports: Gloves & Mittens
(MA-23D)

PRODUCT SHIPMENTS

Estimates for 1985 and 1986 product shipments for some accessory items are compiled by the International Trade Administration and are published in the U.S. Industrial Outlook. These figures cover shipments by all U.S. producers, regardless of primary industry classification.

As indicated by the compound annual growth rates, the domestic accessory business has been in a tailspin in recent years, with every measured category except jewelry registering declines. Although jewelry did show positive growth between 1979 and 1984, the rate of growth for this period was significantly lower than in the 1972-84 period. Industry analysts report that a factor in the growth of shipments of jewelry was the small increase in prices for precious metal jewelry and costume jewelry, estimated up only 1% and 4% respectively.

According to the International Trade Administration, the total value of product shipments in the luggage and personal leather goods industries in 1986 fell 3.1% to $1.87 billion. Measured in constant (1982) dollars, the decline was 3.1% as well. In the jewelry segment, product shipments continued to grow moderately. Precious metal and costume jewelry shipments reached an estimated $4.7 billion in 1986 with precious metal jewelry accounting for $3.4 billion of the total. Total constant-dollar shipments were up 3% over 1985 as those of precious metal jewelry increase 3% and those of costume jewelry rose 1%.

A strong U.S. dollar has made it difficult for U.S. manufacturers to serve foreign markets. Unfavorable exchange rates made U.S. produced goods much more expensive in foreign markets. In recent months, however, the value of the U.S. dollar has begun to decline against many currencies and a gain of exports of accessories has been noticed. It must be noted that exports still account for only a small percent of domestic production.

Estimated Value of Product Shipments By All Producers: 1985, 1986
(Millions of dollars)

	Current Dollars		Constant (1982) Dollars		Current Dollars Compound Annual Rate of Growth	
	1986	1985	1986	1985	1972-1984	1979-1984
Jewelry						
Precious metal	$3,220	$3,095	3,191	3,095	9.8	3.3
Costume	1,250	1,190	1,090	1,084	8.2	5.4
Leather accessories	173	180	164	172	0.7	- 5.7
Leather gloves & mittens	145	146	150	152	5.1	- 0.8
Luggage	706	731	643	664	6.9	- 0.3
Handbags & purses	464	472	410	422	2.9	- 0.3
Small leather goods	380	397	346	357	4.8	- 0.1

Source: International Trade Administration,
1987 U.S. Industrial Outlook

PRODUCT SHIPMENTS

The quantity and value of accessories products shipped by all manufacturers in greater detail than currently available was reported by the Census Bureau based on the 1982 Census of Manufactures, as noted below. Comparisons are shown with the 1977 census.

Jewelry

Value of Shipments of Jewelry By All U.S. Producers: 1977, 1982
(Millions of dollars)

	1982	1977	% Change 1982/1977
Precious metal jewelry, total	$2,823.2	$1,907.7	+ 48.0%
Jewelry, made of platinum metals & karat gold, total	2,076.5	1,125.1	+ 84.6
Fraternal, college & school rings	253.1	172.1	+ 47.1
Wedding rings	294.2	133.2	+120.9
Other rings	436.4	312.6	+ 39.6
Ring mountings for sale separately	115.2	69.3	+ 66.2
Women's & children's jewelry, incl. necklaces, bracelets, broaches, pins, clips, earrings, etc.	715.8	327.8	+118.4
Watch attachments	30.7	31.4	- 2.2
Organizational jewelry	40.6	44.7	- 9.2
Other, incl. men's religious jewelry, cigarette cases, lighters, compacts, vanity cases, etc.	152.1	52.3	+190.8
Jewelry, n.s.k.	38.4	108.0	- 64.4
Jewelry of precious metals, excl. platinum or karat gold, total	411.0	353.0	+ 16.4
Rings & ring mountings	44.8	35.3	+ 26.9
Men's jewelry	40.5	33.0	+ 22.7
Women's & children's jewelry	218.7	184.3	+ 18.7
Bracelets for watches	40.1	38.1	+ 5.2
Other jewelry	63.2	38.1	+ 65.9
Jewelry, n.s.k.	3.6	24.1	- 85.1
Other jewelry of precious metal	335.7	303.1	+ 10.8
Costume jewelry, total	944.9	781.8	+ 20.9

(continued)

PRODUCT SHIPMENTS

Jewelry

Value of Shipments of Jewelry By All U.S. Producers: 1977, 1982
(Millions of dollars)
(continued)

	1982	1977	% Change 1982/1977
Base metal:			
Rings & ring mountings	129.1	43.3	+198.2
Men's jewelry, excl. watch attachments & rings	30.5	53.1	- 42.5
Women's & children's jewelry & costume novelties	429.2	402.3	+ 6.7
Bracelets for watches & fraternal, college & school jewelry	82.8	43.2	+ 91.7
Other jewelry, incl. religious	34.3	25.6	+ 34.0
Imitation pearls	5.8	14.3	- 59.4
Compact & vanity cases	74.7	36.2	+106.4
Other costume jewelry made of plastic, wood, leather, etc.	38.3	42.0	- 8.8
Costume jewlery, n.s.k.	120.3	121.4	- 0.9

n.s.k. not specified by kind

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
MC-82-39A & MC82-I-39C-5

Handbags

Quantity & Value of Purse & Handbag Shipments By All U.S. Producers: 1977, 1982
(Value in millions of dollars; quantity in thousands of units)

	Quantity		% Change	Value		% Change
	1982	1977	1982/77	1982	1977	1980/77
Women's purses & handbags	na	na	--	$524.9	$436.2	- 20.3%
All leather & chiefly leather	13.2	(S)	--	234.9	109.4	-114.7
Plastics or chiefly plastic	12.4	25.1	-50.6%	111.6	154.6	- 27.8
Other materials exc. precious metal	11.0	(S)	--	72.2	53.2	+ 35.7
Women's & children's handbags, n.s.k.	na	na	--	106.2	119.0	- 10.8

na not available
n.s.k. not specified by kind

Source: U.S. Bureau of the Census,
1982 Census of Manufactures
(MC82-I-31B)

PRODUCT SHIPMENTS

Belts

Quantity & Value of Shipments of Apparel Belts By All U.S. Producers: 1977, 1982

(Value in millions of dollars; quantity in thousands of dozens)

	Quantity		% Change	Value		% Change
	1982	1977	1982/77	1982	1977	1982/77
Apparel belts, total	na	na	--	$474.2	$244.3	+ 94.1%
Leather, total	na	7,040.0	--	261.5	155.5	+ 68.2
Women's & children's	3,956.8	1,442.0	+174.4%	96.8	32.3	+199.7
Men's & boys'	5,893.7	5,466.0	+ 7.8	157.9	119.5	+ 32.1
Not specified	na	132.0	--	6.8	3.7	+ 83.8
Other materials	na	5,983.0	--	164.7	58.2	+183.0
Women's & children's	11,231.9	4,613.0	+143.5	111.0	39.1	+183.9
Men's & boys'	4,479.2	715.0	+526.5	49.6	13.2	+275.7
Not specified	na	655.0	--	4.2	5.9	- 28.8
Materials unspecified	na	na	--	47.2	30.6	+ 54.2

na not available

Source: U.S. Bureau of the Census,
1982 Census of Manufactures
(MC82-I-23D)

Personal Leather Goods

Quantity & Value of Shipments of Personal Leather Goods By All Producers, 1977, 1982

(Value in millions of dollars; quantity in thousands of units)

	Quantity		% Change	Value		% Change
	1982	1977	1982/77	1982	1977	1982/77
Personal leather goods, total	na	na	--	$393.1	$369.2	+ 6.5%
Billfolds, wallets, french purses & clutches	45,409.4	na	--	186.9	136.0	+ 37.4
Leather	27,391.1	23,078.2	+18.7%	157.8	125.3	+ 25.9
All other materials	18,027.4	na	--	29.1	10.7	+172.0
Travel kits (fitted & unfitted)	1,848.5	na	--	10.0	21.9	- 54.3
Jewelry boxes & cases, exc. precious metal	na	13,091.2	--	26.4	47.1	- 58.2
Leather compacts and vanity cases	1,256.3	na	--	1.8	na	--
Other personal goods, incl. key, cigarette, eyeglass, pass card & instrument cases; pocket secretaries, tobacco pouches, cosmetic bags, etc.	na	na	--	103.3	97.9	+ 5.5
Leather	na	na	--	38.1	55.8	- 31.7
All other materials	na	na	--	65.2	42.1	+ 54.9
Personal leather goods, n.e.c.	na	na	--	56.3	59.0	- 4.6

na not available
n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census,
1982 Census of Manufactures
(MC82-I-31B)

PRODUCT SHIPMENTS

Millinery

Quantity & Value of Shipments of Millinery Products By All Producers, 1977, 1982

(Value in millions of dollars; quantity in thousands of units)

	Quantity		% Change	Value		% Change
	1982	1977	1982/77	1982	1977	1982/77
Millinery total	na	na	--	$87.7	$74.2	+18.2%
Fur-felt & wool felt millinery	267.7	215.0	+ 24.5%	18.2	12.5	+45.6
Fabric millinery (made from all types fabrics)	800.6	496.0	+ 61.4	20.5	12.3	+66.7
All other millinery	435.1	140.0	+210.7	21.7	14.7	-47.6
Millinery, n.s.k.	na	na	--	27.2	34.7	-21.6

na not available
n.s.k. not specified by kind

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,(MC82-I-23C)

Gloves

Later data (covering 1985) is available on shipments of gloves by U.S. manufacturers through the Current Industrial Reports Series compiled on the basis of a survey by the Census Bureau among manufacturers of leather, fabric, rubber and plastic gloves and mittens, as well as jobbers.

Quantity & Value of Product Shipments of Gloves & Mittens By All U.S. Producers, 1984, 1985

	Quantity (Thous. Doz.)		% Change	Value (Mil. $)		% Change
	1985	1984	1985/84	1985	1984	1985/84
Dress & semi dress gloves & mittens, total	3,097	2,585	+ 19.8%	$ 74.5	$ 66.8	+11.5%
By material:						
All knit fabric, seamed	146	(D)	--	4.2	(D)	--
Leather & fabric combinations	212	146	+ 45.2	15.7	11.3	+38.9
All leather	227	259	- 12.4	26.7	28.2	- 5.3
All other materials	2,512	(D)	--	27.9	(D)	--

(D) Withheld to avoid disclosure

Source: U.S. Bureau of the Census,
Current Industrial Report,
Gloves & Mittens (MA-23D (85)-1)

PRODUCT SHIPMENTS

Luggage

Quantity & Value of Shipments of Luggage
By All U.S. Producers: 1977, 1982
(Quantity in thousands; value in millions of dollars)

	Quantity		% Change	Value		% Change
	1982	1977	1982/77	1982	1977	1982/77
Luggage, total	na	na	—	$647.3	$585.3	+10.6%
Women's hand luggage, all types except zippered	2,432.7	5,123.0	- 52.5%	88.2	107.2	-17.7
Soft side (lock construction)	(S)	1,946.4	—	21.2	35.5	-40.3
Other (including hard side & fully or semi-molded)	(D)	3,176.6	—	67.0	71.7	- 6.6
Men's hand luggage, all types except zippered	1,066.9	2,956.9	- 63.9	50.5	65.8	- 23.3
Molded (fully or semi-molded)	901.6	1,559.4	- 42.2	31.5	35.7	- 11.8
Other (including hard & soft side)	165.3	397.5	- 58.4	19.0	30.1	- 36.9
Men's & women's zippered hand luggage	6,304.7	9,916.7	- 36.4	165.7	147.1	+ 12.6
Occupational luggage cases, sample case, etc.	5,324.3	3,569.7	+ 49.2	45.1	32.5	+ 38.8
Trunks, hand trunks & lockers	985.9	1,619.9	- 39.1	23.0	19.3	+ 19.2
Briefcases, envelopes, school bags	3,663.4	5,395.2	- 32.1	34.9	27.8	+ 25.5
Attache cases	2,157.3	3,857.7	- 44.1	56.4	58.3	- 3.3
Other (musical instrument cases, etc.)	7,938.3	na	—	45.0	38.6	+ 19.2
Luggage, n.s.k.	na	na	—	103.3	79.7	+ 29.6

na not available
(S) Surpressed
(D) Withheld to avoid disclosure
n.s.k. not specified by kind

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
(MC82-I-31B)

Leading States

New York accounted for more than half of all shipments of non-leather belts in 1982 as well as 44.8% of platinum and karat gold jewelry and 29.6% of leather belts. Rhode Island was the largest producer of precious metal jewelry other than platinum and karat gold accounting for better than 40% of shipments of this type of accessory.

PRODUCT SHIPMENTS

Leading States

Value of Shipments of Specified Accessory Products By Leading States 1977, 1982

(Millions of dollars)

	Value of Shipments		% Change	% of Total
	1982	1977	1982/1977	1982
Jewelry made of platinum metals & karat gold				
Leading states:				
New York	$ 931.2	$ 608.2	+ 53.1%	44.8
California	184.7	81.9	+125.5	8.9
Massachusetts	138.8	105.6	+ 31.4	6.7
New Jersey	136.0	82.7	+ 64.4	6.5
Texas	122.2	63.0	+ 94.0	5.9
Leading states, total	1,512.9	941.4	+ 60.7	72.9
U.S. total	2,076.5	1,251.5	+ 66.0	100.0%
Other jewelry made of precious metals				
Leading states:				
Rhode Island	167.0	191.0	- 12.6	40.6
New York	74.5	51.1	+ 45.8	18.1
Massachusetts	33.7	33.5	+ 0.6	8.2
Texas	17.7	na	--	4.3
Illinois	14.0	1.8	+677.7	3.4
California	11.6	9.5	+ 21.1	2.8
Leading states, total	306.9	na	--	74.7
U.S. total	411.0	353.0	+ 16.4	100.0%
Leather belts				
Leading states:				
New York	77.6	32.2	+141.0	29.6
Texas	31.2	21.0	+ 48.6	11.9
California	28.0	10.3	+171.8	10.7
New Jersey	19.4	6.4	+203.1	7.4
Massachusetts	15.7	7.4	+112.2	6.0
Leading states, total	171.9	77.7	+121.2	65.7
U.S. total	261.5	155.5	+ 68.2	100.0%
Belts other than leather				
Leading states:				
New York	99.8	37.4	+166.8	54.0
Pennsylvania	13.1	3.6	+263.8	7.0
Massachusetts	10.1	3.1	+225.8	5.5
California	8.6	3.5	+145.7	4.7
North Carolina	9.1	2.4	+279.2	4.9
Leading states, total	140.7	50.0	+181.4	76.2
U.S. total	184.7	58.2	+217.4	100.0%

(continued)

Value of Shipments of Specified Accessory Products By Leading States 1977, 1982
(Millions of dollars)
(continued)

	Value of Shipments 1982	Value of Shipments 1977	% Change 1982/1977	% of Total 1982
Watches with imported movements or modules				
Leading state:				
New York	111.9	152.1	- 26.4	24.4
U.S. total	457.9	300.7	+ 52.3	100.0%
Watches with domestic movements or modules				
Leading state:				
New York	7.6	na	na	13.0
U.S. total	58.4	na	na	100.0%
Watchcases & parts for watchcases				
Leading state:				
New York	35.5	39.9	- 11.0	50.4
U.S. total	70.5	67.2	+ 4.9	100.0%

Source: Based on U.S. Bureau of the Census, 1982 Census of Manufactures, (Industry Series)

Concentration of Product Shipments

While there have been some consolidations within the industry, primarily in the jewelry segment, the share of market accounted for by the largest accessory manufacturers declined somewhat for many products between 1977 and 1982. The latest figures on share of specific product shipments accounted for by the largest companies are reported below.

Share of Specified Accessories Product Shipments By the Largest U.S. Manufacturers, 1982

	Product Shipments (Mil. $)	% value accounted for by the largest companies			
		Top 4	Top 8	Top 20	Top 50
Costume jewelry & costume novelties					
1982	$ 984.6	21%	31%	48%	63%
1977	781.5	17	26	41	58
Platinum & karat gold jewelry					
1982	2,076.5	18	24	36	53
1977	1,251.5	21	28	41	57
Watches with imported movements					
1982	457.9	88	97	100	100
1977	300.7	74	90	(D)	100
Watchcases & parts for watchcases					
1982	70.5	69	93	100	100
1977	67.2	66	88	(D)	100

(continued)

PRODUCT SHIPMENTS

Concentration of Product Shipments

Share of Specified Accessories Product Shipments By the Largest U.S. Manufacturers, 1982

(continued)

	Product Shipments (Mil. $)	% value accounted for by the largest companies			
		Top 4	Top 8	Top 20	Top 50
Leather belts					
1982	261.5	24	34	55	83
1977	155.5	27	42	64	87
Dress & semidress gloves & mittens					
1982	(D)	68	90	100	100
1977	16.1	75	92	100	100
Leather dress & work gloves & mittens					
1982	138.7	39	53	74	94
1977	121.9	33	44	66	92
Women's & children's handbags & purses					
1982	524.9	16	26	45	69
1977	436.2	15	25	43	67
Personal leather goods					
1982	393.1	28	41	57	77
1977	269.2	40	50	65	82
Suitcases, briefcases, bags & musical instrument cases					
1982	647.3	35	45	62	78
1977	585.3	41	51	66	82

(D) Withheld to avoid disclosure of individual company operations

Source: U.S. Bureau of the Census, *Concentration Ratios in Manufacturing* (MC82-S-7)

Producer Price Index of Specified Accessories, June 1985, 1986; October 1985, 1986

(June 1985 = 100 unless otherwise indicated)

	October Average			June Average		
	1986	1985	% Change 1986/85	1986	1985	% Change 1986/85
Costume jewelry & costume novelties made of base metals	101.8	101.6	- 0.2%	101.7	100.0	+ 1.7%
Men's jewelry, exc. watch attachments & rings	113.4	116.0	- 2.2	113.4	100.0	+13.4
Women's & children's jewelry, exc. watch attachments & rings	100.3	99.8	- 0.5	100.3	100.0	+ 0.3
Watches with imported movements or modules*	103.8	101.0	+ 2.8	103.8	101.0	+ 2.8
Watches without balance wheels or hairsprings*	112.2	103.2	+ 8.7	112.2	103.2	+ 8.7
Watches with movements other than solid state*	99.4	99.3	+ 0.1	99.4	99.3	+ 0.1
Watches with domestic movements or modules*	98.3	103.8	- 5.3	98.3	103.8	- 5.3

(continued)

Producer Price Index of Specified Accessories, June 1985, 1986; October 1985, 1986

(June 1985 = 100 unless otherwise indicated)

	October Average			June Average		
	1986	1985	% Change 1986/85	1986	1985	% Change 1986/85
Apparel belts	97.6	101.0	- 3.4%	96.9	100.0	- 3.1%
Leather belts	94.6	101.4	- 6.7	93.9	100.0	- 6.1
Women's & children's	101.3	101.8	- 0.5	101.3	100.0	+ 1.3
Men's & boys'	97.7	100.0	- 2.3	96.8	100.0	- 3.2
Fabric dress & work gloves	99.9	100.0	- 0.1	100.8	100.0	+ 0.8
Work gloves & mittens	100.1	100.1	--	100.7	100.0	+ 0.7
All fabric	100.1	100.1	--	100.8	100.0	+ 0.8
Single canton flannel	98.6	99.7	- 1.1	99.4	100.0	- 0.6
Double canton flannel	98.5	99.9	- 1.4	99.9	100.0	- 0.1
Fleece cotton jersey	101.9	99.9	+ 2.0	103.0	100.0	+ 3.0
Leather or plastic and fabric combinations	100.0	99.9	+ 0.1	100.0	100.0	--
Leather gloves & mittens	100.1	100.0	+ 0.1	100.3	100.0	+ 0.3
All leather dress & semi dress	101.5	101.3	+ 2.0	101.5	100.0	+ 1.5
Other than block out	106.4	103.9	+ 2.4	106.4	100.0	+ 6.4
Men's & boys'	109.6	105.8	+ 3.6	109.6	100.0	+ 9.6
Women's & children's	100.0	100.0	--	100.0	100.0	--
Women's & children's handbags & purses**	115.9	113.4	+ 2.2	114.8	113.4	+ 1.2
All or chiefly leather **	112.6	108.8	+ 3.5	110.9	109.9	+ 0.9
All or chiefly plastic **	115.7	113.7	+ 1.8	114.7	113.7	+ 0.9
All other materials **	123.5	119.8	+ 3.1	123.5	119.8	+ 3.1
Personal leather goods, exc. handbags & purses **	111.6	111.1	+ 0.5	111.3	111.1	+ 0.2
Billfolds, wallets, french purses & clutches**	111.2	111.3	- 0.1	111.2	111.3	- 0.1
Leather billfolds & wallets**	114.5	113.5	+ 0.9	114.5	113.5	+ 0.9
Leather french purses**	103.0	102.0	+ 1.0	103.0	102.0	+ 1.0
Leather clutches**	107.5	108.4	- 0.8	107.5	108.4	- 0.8
All other materials**	125.6	133.1	- 5.6	125.6	133.1	- 5.6
Travel kits**	157.7	152.6	+ 3.3	152.6	162.3	- 6.0
Luggage#	95.8	100.5	- 4.7	96.5	101.5	- 4.9
Hand luggage#	92.7	101.4	- 8.6	92.3	100.9	- 8.5
Men's#	106.0	102.7	+ 3.2	106.0	101.7	+ 4.2
Hard sided#	105.8	105.4	+ 0.4	105.8	102.7	+ 3.0
Zippered#	103.8	101.2	+ 2.6	103.4	101.6	+ 1.8
Attache cases#	101.4	104.4	- 2.9	109.9	104.4	+ 5.3
Millinery	100.0	100.0	--	100.0	100.0	--
Fur felt & wool felt	100.0	100.0	--	100.0	100.0	--
Fabric	100.0	100.0	--	100.0	100.0	--
Straw	100.0	100.0	--	100.0	100.0	--

* 6/83 = 100
** 6/82 = 100
# 12/84= 100

Source: U.S. Bureau of Labor Statistics

FOREIGN TRADE

Imports are one of the largest trouble spots for domestic accessory manufacturers, and inroads made by foreign produced goods are showing no signs of abating. Market penetration of imported accessories is high in every measured category, ranging from 31% for costume jewelry to 60.4% for handbags and purses.

The growth in imports in the accessory industry can be traced, for the most part, to the strong U.S. dollar of the early 1980's and to the labor intensiveness of the industry, which translates into cost advantages for developing countries.

Recent declines in the U.S. dollar on a number of foreign exchange markets have brightened the import picture somewhat. Imports generally slowed their decade long growth in 1986 and in some cases even registered declines. The moderation generally came in imports from Japan and Western Europe where currencies have appreciated relative to the U.S. dollar. The U.S. dollar fell only slightly, if at all, against the currencies of developing countries like Taiwan, South Korea and Hong Kong. Imports from these countries generally continued to show strong growth, often at the expense of other developing countries. For the most part, accessories imported to the U.S. carry low price points and come from the Far East.

Many foreign producers have already begun to respond to the changing foreign exchange ratios, and are reducing their profit margins in order to maintain cost advantages while others are shifting production to other countries which are not as severely affected by the lower value of the U.S. dollar.

As for the U.S. exports of accessory items, it is hoped that with the decline in the value of the dollar, particularly in countries that are potentially good customers, exports will pick up as they become expensive for foreign consumers.

Foreign Trade in Accessories, 1983-1986
(Millions of $)

	1986(e)	1985	1984	1983	% Change 1986/85	Compound Annual Growth Rate 1979-1984
Leather gloves & mittens						
Value of imports	$ 72.5	$ 89.3	$ 86.0	$ 59.5	- 18.8%	+ 4.8%
Import/new supply ratio	0.334	0.379	0.372	0.314	- 11.9	+ 3.7
Value of exports	$ 10.3	$ 12.0	$ 17.4	$ 8.6	- 14.2	+ 7.2
Export/shipment ratio	0.071	0.082	0.120	0.066	- 13.4	- 8.1
Luggage						
Value of imports	$ 689	$ 623	$ 575	$ 412	+ 10.6	+19.5
Import/new supply ratio	0.494	0.460	0.445	0.379	+ 7.4	+12.7
Value of exports	$ 17.8	$ 22.0	$ 27.4	$ 33.7	- 19.1	-10.6
Export/shipment ratio	0.025	0.030	0.036	0.050	- 16.7	-10.4

(continued)

Foreign Trade in Accessories, 1983-1986
(Millions of $)
(continued)

	1986(e)	1985	1984	1983	% Change 1986/85	Compound Annual Growth Rate 1979-1984
Handbags & purses						
Value of imports	$ 708	$ 620	$ 582	$ 480	+ 14.2%	+13.5%
Import/new supply ratio	0.604	0.568	0.546	0.486	+ 6.3	+ 7.2
Value of exports	$ 7.8	$ 7.1	$ 10.6	$ 9.2	+ 9.9	- 0.6
Export/shipment ratio	0.017	0.015	0.022	0.018	+ 13.3	- 0.2
Small leather goods						
Value of imports	$ 268	$ 239	$ 203	$ 156	+ 12.1	+14.5
Import/new supply ratio	0.414	0.376	0.333	0.272	+ 10.1	+10.6
Value of exports	$ 6.5	$ 6.2	$ 5.4	$ 5.6	+ 4.8	- 4.5
Export/shipment ratio	0.017	0.016	0.013	0.013	+ 6.3	- 4.4
Precious metal jewelry						
Value of imports	$1,910	$1,721	$1,190	$ 873	+ 11.0	+ 8.4
Import/new supply ratio	0.335	0.321	0.252	0.203	+ 4.4	+ 4.1
Value of exports	$ 155	$ 143	$ 144	$ 160	+ 8.4	- 1.0
Export/shipment ratio	0.041	0.039	0.041	0.047	+ 5.1	- 3.8
Costume jewelry						
Value of imports	$ 570	$ 538	$ 440	$ 234	+ 6.0	+21.3
Import/new supply ratio	0.313	0.311	0.280	0.174	+ 0.6	+11.7
Value of exports	$ 70.5	$ 55.9	$ 58.2	$ 64.8	+ 25.2	- 1.6
Export/shipment ratio	0.056	0.047	0.051	0.058	+ 19.1	- 6.7

(e) estimated

Source: International Trade Administration
U.S. Department of Commerce
1987 U.S. Industrial Outlook

More detailed information on imports and exports of specified accessory items is available from the International Trade Administration.

U.S. Imports & Exports of Accessory Items: 1984, 1985, January - September, 1985, 1986

	January-September		% Change	Annual Total		% Change
	1986	1985	1986/85	1985	1984	1985/84
Handbags						
Imports:						
Quantity (thous. units)	143,457	150,112	- 4.4%	202,877	207,230	- 2.1%
Value (thous. $)	$478,261	$458,827	+ 4.2	$622,146	$599,806	+ 3.7
Exports:						
Quantity (thous. units)	1,401	1,763	-20.5	2,369	4,271	- 44.5
Value (thous. $)	$6,292	$5,102	+23.3	7,118	10,600	- 32.8
Luggage						
Imports:						
Value (thous. $)	$501,137	$452,312	+10.8	614,103	552,555	+ 11.1
Exports:						
Value (thous. $)	$ 13,156	$ 15,994	-17.7	$21,514	$26,621	- 19.2
Flat Goods						
Imports:						
Value (thous. $)	$125,392	$102,955	+21.8	$153,933	$138,601	+ 11.1
Exports:						
Value (thous. $)	$ 4,450	$ 4,620	- 3.7	$ 6,134	$ 5,308	+15.6
Watches & watch movements						
Imports:						
Quantity (thous. units)	104,106	96,394	+ 8.0	142,755	154,182	- 7.4
Value (thous. $)	$795,509	$713,319	+11.5	$1,020,635	$909,166	+ 12.3
Exports:						
Quantity (thous. units)	822	490	+67.8	673	632	+ 6.5
Value (thous. $)	$ 11,646	$ 5,836	+99.6	$ 8,781	$ 8,107	+ 8.3
Jewelry, total						
Imports:						
Value (thous. $)	$1,873,429	$1,688,702	+10.9	$2,508,073	$1,903,712	+31.7
Exports:						
Value (thous. $)	$ 172,151	$134,234	+28.2	$ 180,191	$ 162,811	+10.7
Precious metal jewelry						
Imports:						
Value (thous. $)	$1,308,726	$1,121,546	+16.7	$1,733,597	$1,200,951	+44.4
Exports:						
Value (thous. $)	$ 109,807	$ 87,214	+25.9	$ 113,569	$ 95,231	+19.3
Costume jewelry						
Imports:						
Value (thous. $)	$ 341,051	$337,711	+ 1.0	$460,986	$379,961	+21.3
Exports:						
Value (thous. $)	$ 57,747	$ 41,730	+38.4	$ 58,792	$ 60,250	- 2.4
Pearls, natural or cultured						
Imports:						
Value (thous. $)	$ 145,737	$172,124	-15.3	$231,000	$243,262	- 5.0
Exports:						
Value (thous. $)	$ 923	$ 1,404	-34.3	$ 2,743	$ 1,904	+44.1

(continued)

FOREIGN TRADE

U.S. Imports & Exports of Accessory Items: 1984, 1985,
January - September 1985, 1986
(continued)

	January-September		% Change	Annual Total		% Change
	1986	1985	1986/85	1985	1986	1985/84
Gloves						
Imports:						
Quantity (thous. doz.)	66,524	58,544	+13.6%	74,851	207,230	- 2.1%
Value (thous. $)	$264,865	$270,188	- 2.0	$356,269	$324,598	+ 9.8
Exports:						
Quantity (thous. doz.)	21,552	16,515	+30.5	23,102	25,293	- 8.7
Value (thous. $)	$ 77,108	$60,471	+27.5	$82,007	$88,177	- 7.0
Neckwear						
Imports:						
Quantity (thous. doz.)	1,199	1,173	+ 2.2	1,607	1,555	+ 3.3
Value (thous. $)	$ 40,603	$ 32,326	+25.6	$ 46,528	$ 43,532	+ 6.9
Exports:						
Quantity (thous. doz.)	225	215	+ 4.7	279	190	+46.8
Value (thous. $)	$2,787	$2,696	+ 3.4	$ 3,374	$ 3,125	- 8.0
Headwear						
Imports:						
Quantity (thous. doz.)	49,250	38,292	+28.6	52,554	39,611	+32.7
Value (thous. $)	$191,844	$181,969	+ 5.4	$235,354	$193,997	+21.3
Exports:						
Quantity (thous. doz.)	779	979	-20.4	1,257	1,539	-18.3
Value (thous. $)	$ 12,673	$ 13,760	- 7.9	7,118	$20,759	-17.3

Source: U.S. International Trade Commission
U.S. Trade Shifts in Selected Commodity Areas:
Third Quarter 1986 USITC Publication 1945

THE POTENTIAL MARKET

Population Projections - 1987, 1994, 2005
(Middle Series*)

	Number (Thousands)			% Change	Percent Distribution		
	1987	1994	2005	2005/1987	1987	1994	2005
MALE							
Total, all ages	118,309	125,464	134,297	+ 13.5%	100.0%	100.0%	100.0%
Under 5 years	9,656	9,635	8,931	- 7.5	8.2	7.7	6.6
5 to 9 years	8,954	9,866	9,094	+ 1.6	7.6	7.9	6.8
10 to 15 years	9,998	11,245	11,698	+ 17.0	8.5	9.0	8.7
16 years & over	89,701	94,718	104,574	+ 16.6	75.8	75.4	77.9
16 - 19	7,546	6,712	8,058	+ 6.8	6.4	5.3	6.0
20 - 34	31,767	29,725	27,416	- 13.7	26.9	23.7	20.4
35 - 54	28,239	35,187	40,769	+ 44.4	23.9	28.0	30.4
55 - 64	10,178	9,793	14,060	+ 38.1	8.6	7.8	10.5
65 & over	11,971	13,300	14,271	+ 19.2	10.1	10.6	10.6
Median age (years)	30.8	33.0	36.0	+ 16.9	--	--	--

(continued)

Population Projections - 1987, 1994, 2005
(Middle Series*)
(continued)

	Number (Thousands)			% Change	Percent Distribution		
	1987	1994	2005	2005/1987	1987	1994	2005
FEMALE							
Total, all ages	124,774	132,251	141,381	+ 13.3%	100.0%	100.0%	100.0%
Under 5 years	9,209	9,188	8,518	- 7.5	7.4	6.9	6.0
5 to 9 years	8,557	9,415	8,678	+ 1.4	6.9	7.1	6.1
10 to 15 years	9,554	10,745	11,167	+ 16.9	7.7	8.1	7.9
16 years & over	97,454	102,903	113,018	+ 16.0	78.1	77.9	80.0
16 - 19	7,233	6,426	7,707	+ 6.6	5.8	4.9	5.5
20 - 34	31,323	29,068	26,706	- 14.7	25.1	22.0	18.9
35 - 54	29,352	36,202	41,249	+ 40.5	23.5	27.4	29.2
55 - 64	11,591	11,002	15,399	+ 32.9	9.3	8.3	10.9
65 & over	17,955	20,205	21,957	+ 22.3	14.4	15.3	15.5
Median age (years)	33.3	35.6	39.2	+ 17.7	--	--	--
TOTAL, MALE & FEMALE							
Total, all ages	243,084	257,714	275,677	+ 13.4	100.0%	100.0%	100.0%
Under 5 years	18,866	18,823	17,449	- 7.5	7.7	7.3	6.3
5 to 9 years	17,511	19,281	17,772	+ 1.5	7.2	7.5	6.5
10 to 15 years	19,552	21,991	22,865	+ 16.9	8.0	8.5	8.3
16 years & over	187,155	197,619	217,591	+ 16.3	77.0	76.7	78.9
16 - 19	14,779	13,138	15,765	+ 6.7	6.1	5.1	5.7
20 - 34	63,091	58,792	54,122	- 14.2	26.0	22.8	19.6
35 - 54	57,592	71,389	82,018	+ 42.4	23.7	27.7	29.7
55 - 64	21,769	20,793	29,459	+ 35.3	9.0	8.1	10.7
65 & over	29,926	33,507	36,227	+ 21.1	12.3	13.0	13.1
Median age (years)	32.0	34.3	37.6	+ 17.5	--	--	--

* Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. Includes Armed Forces overseas.

Note: Columns may not add to totals shown due to rounding

Source: U.S. Bureau of the Census, Current Population Reports
Series P-25, No. 952 (May 1984)

Women now hold 44% of all jobs in the U.S.; over 50 million women are in the civilian work force. The great influx of women into the labor force in the past 15 years, and, their progression to better paying jobs has stimulated demand for accessories.

THE POTENTIAL MARKET

Bridal Market

The bridal market is an important selling opportunity for jewelry and other bridal accessories. The number of marriages in 1985 (2,425,000) represented the fourth largest annual total in U.S. history. While the marriage rate has been falling, the bridal market provides a significant portion of jewelry sales.

Number of Marriages By Region, 1985

	Number	% of U.S. Total
U.S. Total	2,436,796*	100.0%
South Atlantic	443,595	18.2
East North Central	365,658	15.0
West South Central	319,824	13.1
Middle Atlantic	315,466	12.9
Pacific	314,542	12.9
Mountain	233,165	9.6
East South Central	172,440	7.1
West North Central	157,251	6.5
New England	114,855	4.7

Note: Data are by state of occurrence rather than by state of residence

* Data includes marriages reported or marriage licenses issued

Though June continues to be the most popular month for marriages, there is more balance throughout the rest of the year than there once was, providing year-round opportunities for retailers.

Number of Marriages By Month, 1985

	Number	% of U.S. Total
U.S. total	2,425,000	100.0%
January	129,000	5.3
February	146,000	6.0
March	157,000	6.5
April	174,000	7.2
May	238,000	9.8
June	280,000	11.5
July	235,000	9.7
August	255,000	10.5
September	235,000	9.7
October	206,000	8.5
November	182,000	7.5
December	187,000	7.7

Source: U.S. Department of Health & Human Services,
Monthly Vital Statistics Report, September 1986

THE POTENTIAL MARKET

Bridal Market

Aided by the trend towards more elegant, traditional formal weddings, sales of jewelry to couples about to be married now account for about 20% of the total jewelry market.

Men and women are also delaying marriage to a large extent until they establish careers. This has resulted in more discretionary income and established tastes when they finally do marry.

Estimated Bridal Market Share of Jewelry Sales and of Luggage Sales, 1985

	Total Bridal Market Sales (Mil. $)	Total National Retail SAles (Mil. $)	Bridal Market Share of National Sales
Jewelry & watches			
Diamond engagement rings	$1,596.4	$1,596.4	100.0%
Other diamond rings	174.4	2,500.0	7.0
Wedding rings/bands	935.9	935.9	100.0
Wristwatches	110.5	3,348.5	3.3
Gold jewelry, other jewelry or gems	249.5	4,183.4	6.0
Costume jewelry	20.1	4,000.0	0.5
Other jewelry	23.3	--	--
Total	3,110.1	16,564.2	18.8%
Luggage	56.7	600.0	9.5

Source: Modern Bride Magazine: A Summary of Bridal Market Retail Expenditures 1985

NATIONAL ADVERTISING

According to the 1986 edition of Ads Forcasts (Advertising Age, September 15, 1986), total advertising dollars for the precious metal jewelry industry represented 1.8% of industry sales in 1985; for watches and clocks the ratio was 1.6%. The study, an annual report on advertising expenditures, is produced by Pansophic Systems (formerly Schoenfeld & Associates). Ad dollars represented 6.4% of total gross margins (net sales less cost of goods sold) in precious metal jewelry and 5.4% in watches and clocks. Ad expenditures skyrocketed in the precious metal jewelry industry (+ 26.3%); in watches and clocks, spending increased only 0.3%. Included are media ads, collateral literature, and production costs.

AT THE RETAIL LEVEL

CONSUMER EXPENDITURES

The only accessory classification for which consumer spending data is reported by the Department of Commerce is jewelry and watches. After increasing 11.1% between 1983 and 1984, personal consumption expenditures for jewelry and watches rose 6.5% in 1985 reaching $20.1 billion. These expenditures cover the value at retail of goods reaching the consumer through all channels, including direct sales by manufacturers or wholesalers, etc.

Total U.S. personal consumption expenditures for all goods and services rose 7.1% in 1985 to $2,600.5 billion from $2,428.2 billion in 1984, and reached an estimated $2.7 trillion in 1986.

Personal Consumption Expenditures For Jewelry & Watches, 1983 - 1985
(Billions of dollars)

				Percent Change	
	1985	1984	1983	1985/84	1984/83
Jewelry & watches	$21.3	$20.0	$18.0	+ 6.5%	+ 11.1%

Source: U.S. Department of Commerce,
Office of Business Economics

RETAIL SALES

Due to the various categories which constitute the accessory market, and the lack of a standard classification system, there is very little information on the retail market for accessories as a whole.

This Fact File concentrates on specific types of fashion accessories. Merchandise which might also be considered as part of the accessories classification by retailers are covered in the Hosiery/Legwear and Men's Furnishings Fact Files.

It is estimated that total retail sales of accessories, not including jewelry is currently about $13 billion. This would put spending for accessories at about 10% of total apparel spending, a commonly accepted assumption.

RETAIL SALES BY PRODUCT

Official information on merchandise line sales in specific retail outlet types is limited to that made available every five years by the U.S. Bureau of the Census, based on a complete survey of all retail outlets with one or more paid employees. The most recent census, covering operations in 1982, was released by the Bureau in early 1986. Results of the next census, covering operations in 1987, will not be available until sometime after 1989.

RETAIL SALES BY PRODUCT

In order to classify store types, information developed in published reports is more detailed for some outlet types than others. Sales of accessories were covered for major outlet types noted below. However, data is lacking for catalog sellers and miscellaneous outlets carrying accessories.

Sales of men's accessories (hats, gloves, belts, wallets, umbrellas etc.) reported in leading outlet types amounted to $1.7 billion in 1982. Department stores accounted for $1.1 billion, or 61.9% of this total.

It should be noted that due to a change in the treatment of leased departments comparable figures with 1977 are not available. This change affects the counts of stores in some categories, particularly jewelry, more than others. In 1982, the census bureau counted leased departments as separate retail establishments in their specific type of business. In earlier years, data on leased departments was combined with data on the lessor store.

Reported Sales of Men's Accessories by Store Type, 1982
(In retail establishments with payroll)

	Establishments**		Sales by Outlet Type	
	Number	Percent	Thous. $	Percent
Men's accessories (hats, gloves, belts, wallets, umbrellas, etc.) total	32,017	100.0%	$1,711,653	100.0%
Department stores*	7,012	21.9	1,059,288	61.9
Men's wear stores	13,547	42.3	401,313	23.4
Family clothing stores	10,206	31.9	218,601	12.8
Women's ready-to-wear stores	965	3.0	23,731	1.4
Women's accessory, specialty stores and furriers	97	0.3	3,431	0.2
Children's & infants wear stores	190	0.6	5,289	0.3

* Includes traditional department stores, discount stores and the department store outlets of national chains, such as Sears, Penney and Ward. Leased departments are not included, but are counted in the Census as separate specialty store operations.

**Each business location is separately counted as a store unit, including each unit in a multiunit organization.

NOTE: Leased departments are not included in sales data of the stores in which they are operated, but are counted as separate specialty stores.

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade,
Merchandise Line Sales

RETAIL SALES BY PRODUCT

In 1982, department stores were the dominant retailers of women's accessories and millinery accounting for 50% of accessories sales and 47% of millinery. Women's ready to wear stores were the second largest retailers of accessories in 1982 according to the Census Bureau.

Reported Sales of Women's Accessories by Store Type, 1982
(In retail establishments with payroll)

	Establishments**		Sales by Outlet Type	
	Number	Percent	Thous. $	Percent
Women's accessories (handbags, neckwear handkerchiefs, gloves, belts, excluding jewelry), total	48,663	100.0%	$3,113,880	100.0%
Department stores*	6,383	13.1	1,557,397	50.0
Women's ready-to-wear stores	28,292	58.1	1,000,231	32.1
Family clothing stores	10,728	22.0	325,227	10.4
Women's accessory, specialty stores and furriers	2,030	4.2	208,378	6.7
Children's & infants wear stores	476	1.0	9,736	0.3
Men's wear stores	754	1.5	12,911	
Women's hats & trimmings, etc.	8,723	100.0	155,904	100.0
Department stores*	2,882	33.0	72,700	46.6
Women's ready-to-wear stores	2,474	28.4	25,680	16.5
Millinery stores	811	9.3	40,142	25.7
Family clothing stores	2,556	29.3	17,382	11.1

For footnotes, see table covering men's accessory sales

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade
Merchandise Line Sales

Men's & women's jewelry sales in 1982 in major store types were reported at $12.1 billion according to the census of retail trade. In this report, jewelry sales include both precious metal and costume jewelry as well as watches. As previously noted, not all store types were required to break out sales in detail, therefore, sales of jewelry through direct sellers and through store types not listed are not included in the table below.

As previously noted, in 1982 leased departments were counted as separate specialty stores in their proper classification. In a supplemental report for 1982 (Miscellaneous Subjects RC82-1-4) the census bureau reported 2,101 leased jewelry departments operated in department stores were reclassified in the 1982 census as jewelry stores. These departments had a combined total sales volume of $321.5 million -- 4.4% of the $7.3 billion in total reported sales of jewelry stores in business anytime in 1982.

Reported Sales of Jewelry by Store Type, 1982
(In retail establishments with payroll)

	Establishments**		Sales by Outlet Type	
	Number	Percent	Thous. $	Percent
Jewelry, total	95,026	100.0%	$12,133,233	100.0%
Department stores*	8,341	8.8	2,146,428	17.7
Variety stores	7,776	8.2	115,630	1.0
Other General Mdse. stores	5,265	5.5	1,083,810	8.9
Jewelry stores	22,784	24.0	7,288,205	60.0
Non-store retailers	3,475	3.7	422,424	3.5
All other reported store types	47,385	49.9	1,076,737	8.9

For footnotes, see table on men's accessories sales

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade
Merchandise Line Sales

Luggage and leather goods stores and department stores were the two largest retailers of luggage in 1982 accounting for 42.7% and 31.6% of sales respectively.

Reported Sales of Luggage & Small Leather Goods, 1982
(In retail establishments with payroll)

	Establishments		Sales by Outlet Type	
	Number	Percent	Thous. $	Percent
Luggage & small leather goods, total	18,250	100.0%	$ 1,190,749	100.0%
Department stores*	4,438	24.0	376,351	31.6
Variety stores	3,942	21.3	44,872	3.8
Other General Mdse. stores	4,282	23.1	151,581	12.7
Luggage & leather goods stores	1,883	10.2	509,248	42.7
Gift, novelty & souvenir shops	1,224	6.6	26,973	2.3
Mail order houses	2,703	14.6	78,744	6.6
Direct selling establishments	28	0.2	2,980	0.3

* and **, see footnotes on table of men's accessories sales page 32

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade
Merchandise Line Sales

RETAIL SALES BY STORE TYPE

Department Stores

Data on merchandise line sales in department stores has been made available through published reports covering the complete 1982 census of retail trade. Included in totals in addition to traditional department stores, are discount department stores and department store operations of national chains such as Sears and Montgomery Ward.

With the exception of jewelry and luggage, department stores were the dominant retailer of every measured category of accessories.

Sales of Specified Accessories in Department Stores, 1982
(Includes only establishments with payroll)

	Establishments		Sales of specified merchandise line		
				Percent of total sales of:	
	Number	Percent	Amount (thous. $)	Estabs. selling the line	All Estabs.
Department stores, total	9,981	100.0%	99,170,163	--	100.0
Men's accessories	7,012	70.3	1,059,288	1.3	1.1
Women's hats, wigs & hairpieces	2,882	28.9	72,700	0.2	0.1
Women's accessories	6,383	64.0	1,557,397	2.0	1.6
Diamonds, precious gems & pearls	3,925	39.3	565,494	1.0	0.6
Watches, rings & other jewelry	8,219	82.3	1,580,934	1.8	1.6
Luggage & leather goods	4,438	44.5	376,351	0.6	0.4

NOTE: Each store location is separately reported as an "establishment"

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade

Two of the eight accessory categories measured by the National Retail Merchants Association registered double-digit increases in sales in department stores with sales over $1 million in 1985. Costume jewelry registered the largest increase with a median of +12.6%.

Fine jewelry marked the highest sales per square foot at $292 followed by women's gloves $280.

RETAIL SALES BY STORE TYPE

Department Stores

Merchandising & Operating Results of Specified Accessories In Department Stores With Total Sales Over $1 Million, 1985

	Women's Accessories				
	Fine Jewelry Watches (63)#	Costume Jewelry (67)#	Gloves (54)#	Handbags (84)#	Small Leather Goods (42)#
Net sales, % change from last year	+ 6.8%	+12.6%	+ 9.7%	+ 3.6%	+ 9.5%
Sales, % to total store sales	2.1	2.1	0.6	1.6	0.3
$ sales per square foot of selling space (main or largest selling unit)	$291.6	$279.1	$279.8	$154.4	$185.3
Cumulative markon, %	47.9%	54.6%	53.7%	53.7%	52.6%
Gross margin, % of sales (incl. cash discounts)	40.3	49.4	47.9	46.6	46.8
Advertising, % of net sales	3.2	2.6	2.2	2.8	2.5
Selling salaries, % of net sales	7.1	8.6	7.0	7.5	7.0
Number of stock turns (times)	3.1	3.0	3.7	3.2	3.0

	Women's Accessories			
	Millinery (32)#	Neckwear, Rainwear Belts Handkerchiefs (75)#	Men's & Boys' Accessories (32)#	Luggage (72)#
Net sales, % change from last year	- 12.7%	+ 1.3%	+ 10.0%	+ 5.1%
Sales, % to total store sales	0.2	1.0	1.4	0.6
$ sales per square foot of selling space (main or largest selling unit)	$ 92.1	$175.6	$221.1	$107.4
Cumulative markon, %	53.1%	56.1%	54.8%	49.8%
Gross margin, % of sales (incl. cash discounts)	45.8	49.4	50.7	42.5
Advertising, % of net sales	3.2	3.0	2.6	4.5
Selling salaries, % of net sales	6.9	7.7	6.1	8.7
Number of stock turns (times)	3.8	2.9	3.1	1.8

# Number in parenthesis refers to the number of reporting firms in each category

Source: National Retail Merchants Association, Merchandising & Operating Results of 1986

RETAIL SALES BY STORE TYPE

Specialty Stores

According to the 1982 Census of Retail Trade, sales of covered accessories in men's wear specialty stores with payroll amounted to $420 million representing 5.5% of total store sales. In women's specialty stores, sales of covered items amounted to $1.2 billion representing 58% of total store sales.

Sales of Specified Accessories in Specialty Stores, 1982
(Includes only establishments with payroll)

	Establishments		Sales of specified merchandise line		
				Percent of total sales of:	
	Number	Percent	Amount (thous. $)	Estabs. selling the line	Estabs.
MEN'S WEAR STORES					
Reported total	17,480	100.0%	$7,734,522	--	100.0%
Men's accessories	13,547	77.5	401,313	6.6	5.2
Women's accessories	754	4.3	12,911	1.3	0.2
Jewelry	509	2.9	6,255	1.4	0.1
WOMEN'S WEAR STORES					
Reported total	44,163	100.0	20,248,922	--	100.0
Men's accessories	965	2.2	23,731	1.4	0.1
Women's accessories	28,292	64.0	1,000,231	6.8	4.9
Hats, wigs & hairpieces	2,474	5.6	25,680	2.0	0.1
Jewelry	6,995	15.8	133,061	2.9	0.7
FAMILY CLOTHING STORES					
Reported total	17,859	100.0	13,451,003	--	100.0
Men's accessories	10,206	58.0	218,601	2.7	1.6
Women's accessories	10,728	61.0	325,227	3.1	2.4
Jewelry	4,708	26.8	103,526	1.8	0.8
Hats, wigs & hairpieces	2,556	14.5	17,382	0.6	0.1

NOTE: Each store location is separately reported as an establishment

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade

RETAIL SALES BY STORE TYPE

Specialty Stores

Merchandising & Operating Results of Specified Accessories In Women's Specialty Stores With Total Sales Over $1 Million, 1985

	Total Adult Female Accessories (16)#	Jewelry (10)#	Gloves (5)#	Handbags (9)#	Neckwear, Rainwear Belts & Handkerchiefs (9)#
Net sales, % change from last year	+ 9.2%	+ 4.3%	- 4.2%	- 0.1%	- 3.5%
Sales, % to total store sales	10.4	2.7	1.4	1.9	5.1
$ sales per square foot of selling space (main or largest selling unit)	$178.6	$306.2	na	$272.0	$181.2
Cumulative markon, %	51.8%	51.8%	na	52.6%	53.8%
Gross margin, % of sales (incl. cash discounts)	47.1	47.8	na	46.1	47.7
Advertising, % of net sales	na	na	na	na	na
Selling salaries, % of net sales	9.4	na	na	na	na
Number of stock turns (times)	2.7	2.6	4.1	3.1	2.7

# Number in parenthesis refers to the number of reporting firms in each category
na not available

Source: National Retail Merchants Association,
Merchandising & Operating Results of 1986

Merchandising & Operating Results of Men's Accessories In Men's Wear Stores, 1985

	Total Store	Men's Accessories	Men's Belts
% change in sales from last year (59)*	0.2	8.3	0.5
% to total store sales (75)*	100.0	1.9	0.9
% to total sales in merchandise division**(25)*	--	11.2	5.1
% distribution of average inventory within merchandise division** (36)*	--	14.9	5.9
Number of stock turns (times) (36)*	2.0	1.6	1.7
Markdowns, % of sales (51)*	16.6	9.0	4.5

* Number in parentheses refers to the number of reporting firms in each category
**Merchandise division for accessories and belts is men's furnishings

Source: Menswear Retailers of America,
1985 Annual Business Survey

RETAIL ADVERTISING

Retail advertising for accessory items are highest in May, November and December according to data compiled by the Advertising Checking Bureau. This reflects the gift nature of the accessory category, with advertising peaking during the wedding and Christmas season.

Accessory Ad Linage in Newspapers, 1984
(Percent of annual total by months)

Month	Fine Jewelry*	Handbags	Men's Sportswear and Accessories
January	4.2%	4.0%	3.7%
February	6.9	6.4	4.7
March	6.0	10.2	6.7
April	7.7	8.8	6.4
May	11.5	11.2	7.0
June	7.4	4.9	15.7
July	4.0	5.6	4.7
August	6.3	8.3	8.5
September	6.3	9.4	6.1
October	8.0	9.0	7.2
November	13.4	9.0	11.2
December	18.3	13.2	18.1

* including watches

Source: Newspaper Advertising Bureau, Inc.
1987 Newspaper Advertising Planbook

CONSUMER PRICE TRENDS

The Bureau of Labor Statistics is currently revising the Consumer Price Index, and when issued, the revised series will include for the first time measurements on apparel accessories such as scarfs, handbags, handkerchiefs, gloves, wallets, hats, belts and umbrellas. Release date is scheduled for the end of February 1987.

CONSUMER BUYING HABITS

In May 1985, 1,234 teenage girls, members of Seventeen Magazine's consumer panel, which represents a cross-section of teens nationwide, participated in the magazine's Spring Apparel Study on the apparel and accessory items they purchased during the preceeding year. This information was then projected to the entire female teenage market to guesstimates of the total amount spent on accessories, the number purchased and the number purchasing them.

The survey revealed that in 1985, teenage girls spent a total of $15.5 billion for their wardrobes of which accessories accounted for a total of $1.8 billion.

CONSUMER BUYING HABITS

Purchases of Specified Accessories By Teenage Girls

	Number Purchasing (000)	Number Purchased (000)	Total Expenditures (000)
Jewelry			
Necklaces	11,775	22,140	$226,492
Pins	6,445	11,666	91,461
Earrings	6,432	18,205	185,873
Bracelets	4,330	12,686	113,793
Watches	2,392	2,751	179,998
Belts			
Leather	6,515	13,030	211,477
Suede	99	110	1,686
Other	7,482	14,740	104,801
Scarves			
Cotton	1,976	4,011	28,919
Silk	1,063	1,575	18,491
Woven	488	688	5,793
Knit	264	399	2,957
Gloves			
Knit	2,252	2,726	27,642
Leather	325	414	7,440
Hats			
Knit	1,087	1,750	20,423
Felt	399	399	4,752
Handbags	7,788	15,654	270,814
Sunglasses	5,757	8,981	174,591
Wallets/billfolds/key cases	2,853	4,536	57,199
Umbrellas	1,414	2,024	23,519
Total girls buying accessories	12,088	138,485	1,758,121

Source: Seventeen Magazine: 1985 Spring Apparel Study

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS: Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS: An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are included as well as an analysis of developments that are shaping the U.S. consumer market -- living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1987 Edition): Updates information in the 1986 Edition on department and apparel specialty store sales (not including discount operation) for stores (buying headquarter locations) listed by state within the four major geographical regions of the U.S. Information on the number of stores in operation is included, as well as on plans to open stores, if available. Available data on sales of branch stores is included. Additional features include: An alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest available sales figures; a listing and sales figures for traditional department stores which have sales volumes published, or estimated, of $50 million or more in 1986; a list of conglomerates operating traditional department and apparel stores, including the names and locations of these stores.

DRESSES & CAREER APPAREL (WOMEN'S, MISSES' AND JUNIORS'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, career apparel, pants dresses, ensembles, etc. Includes number and size of manufacturers, production and value of shipments, industry location and trends in employment levels. Analyzed is the growing impact of imports on total growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc. to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS') (1987 Edition): Updates the 1986 edition with figures on U.S. manufacturers production and shipments by type of footwear. Also detailed statistics on imports and their impact on total U.S. market supply. Analyses industry trends and performance of major resources and retailers. Spotlights developments in the athletic footwear industry and consumer market. At the retail level, information is included on sales trends and merchandising results for shoe stores and for footwear departments in department stores; as well as consumer purchase patterns.

HOME TEXTILES & RELATED PRODUCTS: Includes the latest statistics on the U.S. industry, including manufacturers wide variety of products -- bed linens, towels, blankets, comforters, slip covers, pillows, curtains/draperies and hardware, shades, and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

HOSIERY/LEGWEAR/BODYWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

HOUSEHOLD APPLIANCES, ELECTRIC HOUSEWARES, HOME ENTERTAINMENT PRODUCTS: Covers a broad range of products included in these three classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

HOUSEHOLD FURNITURE AND BEDDING: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores. The potential market for work/career apparel is defined in data on trends in employment of men by occupation.

MEN'S SPORTSWEAR, CASUALWEAR, OUTERWEAR: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market. Departmental merchandising and operating results in department stores and in men's wear stores are covered.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade recently issued by the U.S. Census Bureau.

THE SPORTS/FITNESS/LEISURE MARKETS (A Fact File Special Edition): Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specific products; concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics on sports participation levels and purchases of specific sports equipment. Also buying habits in relation to activewear and sports equipment.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits.

A STATISTICAL ANALYSIS OF RETAILING (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Percentage distributions have been calculated for firms and outlet types, including single and multi-unit operations, sales concentration and geographical distribution, with comparisons with 1977 census findings where possible.

TABLETOP & GIFTWARES: Statistics included for these industries include those on both the manufacturing and retailing levels. There's coverage of production and shipments; foreign trade; retail sales; plus data on the consumer market including buying habits and expenditures.

THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures, foreign trade. Consumer expenditures by product are detailed, as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specific products.

WOMEN'S COATS, SUITS, RAINWEAR, AND FURS: Data from the domestic industry includes the number of manufacturers, industry concentration levels, trends in employment and earnings, production and value of shipments, including exports. Import trends and impact on U.S. market supply are analyzed. At the retail level, information includes consumer price trends, the size of the potential market and outlook for growth in terms of population by age group and employment trends among women. Also covers sales estimates and operating results in department and specialty store.

WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market are summarized.

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MEN'S FURNISHINGS

Market Trends

While sportswear items are benefitting for the ever-growing trend to casual attire in offices and on social occasions where tailored, dress-up looks used to prevail, major segments of the men's furnishings market, particularly dress shirts and neckwear, have been adversely affected. However, even within these segments niches have been found which are registering growth, such as cotton dress shirts and silk neckwear. Two important components of the men's furnishings industry -- underwear and socks -- have increasingly become fashion items as well as staples, adapting well to the needs of customers with casual lifestyles.

There is no "official" definition of the term "furnishings". Rather this classification is determined by the merchandising plans of retailers. However, for the purposes of this report, coverage focuses on dress shirts, neckwear, underwear, nightwear, hosiery, with a total retail sales value estimated at some $12 billion in 1986.

As in all other apparel classifications, imports are a major factor in the men's furnishings domestic market. In some segments of the market, the import-to-supply ratio is as high as 50%, according to the International Trade Administration (Department of Commerce). The U.S. dollar's value has not diminished in relation to the currencies of major suppliers, such as Taiwan, South Korea and Hong Kong, and there has been no slow-down in the quantity of imports.

U.S. manufacturers are a part of the import picture, in sourcing abroad (along with major retailers), and in making use of Item 807 of the Tariff Code. The 807 code allows imports of apparel assembled in Caribbean Basin countries, using U.S. fabrics, to be made for U.S. suppliers, and duty paid only on the value added abroad. Jockey, for one, has had an 807 operation in Jamaica for a couple of years. The total C.I.F. (cost, insurance, freight) value of imports of men's and boys' underwear and nightwear, excluding robes, amounted to $15.4 million in 1985.

Throughout the U.S. apparel industry, manufacturers have stepped up efforts to become competitive with imports through technological improvements to increase productivity and "quick response" to the needs of retail customers. the "Crafted With Pride in the USA" program has been supported by the industry to encourage consumers to buy American.

Imported furnishings, industry items sourced abroad directly by retailers, have been major factors in the strong growth of private labels, particularly in dress shirts and neckwear. Market sources estimate that private label currently accounts for about one-third of shirt sales (units), with the percentage rising rapidly. Use of private labels for men's ties is also on the upswing, aiding retailers' profit margins, and competitive edge in terms of price and exclusivity.

Overall, dress shirt business in terms of units is expected to be flat or down in 1987 compared with 1986, according to trade sources. Exceptions in the overall picture include cotton dress shirts, silk ties, fashion underwear. A problem in supply of cotton shirts to meet consumer demand may develop, as quotas for the year for a major supplier, China, are about filled early in the year, manufacturers/retailers must scramble to find new sources of supply, hopefully within the U.S.

Market Trends (continued)

Fashion, particularly the use of color, is increasingly being emphasized in men's dress shirts, and manufacturers are broadening lines to cover a wider range of colors.

Rising prices have maintained the dollar sales level in men's ties, although units are off. As noted, increases have particularly been reported in silk tie business in the past two years -- part of the stronger growth being registered generally in sales of apparel to upscale, fashion-forward customers. Retailers have encouraged tie business by displaying them more openly to customers, as well as broadening fashion lines.

Gains in sales of men's underwear appear to be leveling off, and competition among the three major producers -- Fruit of the Loom, Hanes, Jockey -- is keen. While Hanes and Fruit of the Loom have resorted to direct comparitive advertising to garner market share, Jockey has expanded its merchandise mix, most recently branching into production of girls' panties, underwear and bras. While retailers promote color and fashion lines, focusing on the younger, affluent customer, industry reports indicate that sales of basic white underwear for men still account for about 75% of sales.

Note: Furnishings are not defined in a separate industry classification, but are produced in a number of industries, as classified under the Standard Industrial Classification system. Information on sports shirts is included in this Fact File only where industry data includes both sport and dress shirts. To focus on sport shirts, see the Men's Sportswear, Casual Wear Fact File. Accessory items, such as jewelry, gloves, small leather goods, are covered in the Fashion Accessories Fact File.

Industry reports by the Department of Commerce covered in the following tables, include manufactures of furnishings for both men and boys. Separate figures on a product basis, covering men's only are reported where available. (For boys' furnishings, see The Chilren's Market Fact File.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

A complete census of all manufacturers in the U.S. with one or more paid employees is compiled every five years by the U.S. Bureau of the Census. Results from the latest, covering operations in the men's furnishings classifications are covered below. In addition, comparable figures are reported from the 1983-1985 Annual Surveys of Manufactures. The Census Bureau conducts annual surveys using a sample of manufacturers in order to develop estimates on key measurements of manufacturing activity during intercensal periods. (As noted in the previous discussion, Census Bureau Industry Classifications do not clearly segregate men's furnishings.)

The number of manufacturing establishments in the industry have been declining for many years now. Industry shipments, in contrast, have generally been rising. However, these prices are in current dollars, so inflation has to be one factor taken into account when making comparisons.

GENERAL INDUSTRY STATISTICS

Shirts & Nightwear (SIC 2321*)

	1985	1984	1982	% Change 1985/84
Number of companies	na	na	535	na
Number of establishments, total**	na	659	741	na
Number with 20 or more employees	na	464	560	na
Employees, total (thous.)	80.1	90.9	88.7	- 11.9
Production workers (thous.)	69.1	78.5	76.0	- 12.0
Payroll (mil. $)	$ 823.5	$ 905.4	$ 819.0	- 9.0
Value added by manufacture# (mil.$)	1,824.6	2,071.6	1,785.5	- 11.9
Value of industry shipments## (mil.$)	$3,673.8	$3,688.8	3,477.7	- 0.4
Capital expenditures, new (mil.$)	45.5	59.6	37.2	- 23.7
Machinery and equipment (mil. $)	na	na	29.6	na

Underwear (SIC 2322*)

	1985	1984	1982	% Change 1985/84
Number of companies	na	na	61	na
Number of establishments, total**	na	63	77	na
Number with 20 or more employees	na	50	51	na
Employees, total (thous.)	9.6	10.7	11.0	- 10.3
Production workers (thous.)	9.3	10.2	10.0	- 8.8
Payroll (mil.$)	$107.4	$115.5	$ 99.1	- 7.0
Value added by manufacture# (mil.$)	285.5	276.4	210.2	+ 3.3
Value of industry shipments## (mil.$)	505.0	514.1	429.4	- 1.8
Capital expenditures, new (mil.$)	2.3	na	3.3	na
Machinery and equipment (mil. $)	na	na	2.1	na

Knit Underwear Mills (SIC 2254*)

	1985	1984	1982	% Change 1985/84
Number of companies	na	na	72	na
Number of establishments, total**	na	75	84	na
Number with 20 or more employees	na	60	61	na
Employees, total (thous.)	24.0	25.0	22.3	- 4.0
Production workers (thous.)	21.6	22.1	20.0	- 2.3
Payroll (mil.$)	$ 301.8	$ 302.2	$232.3	- 0.1
Value added by manufacture# (mil.$)	491.7	492.8	446.2	- 0.2
Value of industry shipments## (mil.$)	1,136.2	1,010.7	829.9	+ 12.4
Capital expenditures, new (mil.$)	22.7	24.1	9.3	- 5.8
Machinery and equipment (mil. $)	na	na	7.4	na

(continued)

Neckwear (SIC 2323*)

	1985	1984	1982	% Change 1985/84
Number of companies	na	na	165	na
Number of establishments, total**	na	164	170	na
Number with 20 or more employees	na	91	91	na
Employees, total (thous.)	5.9	6.6	6.7	- 10.6
Production workers (thous.)	4.0	5.2	5.3	- 23.1
Payroll (mil.$)	$ 80.4	$ 86.9	$ 83.0	- 7.5
Value added by manufacture# (mil.$)	174.8	187.1	184.5	- 6.6
Value of industry shipments## (mil.$)	341.9	367.1	335.0	- 6.9
Capital expenditures, new (mil.$)	1.5	na	4.9	na
Machinery and equipment (mil. $)	na	na	4.8	na

Hats & Caps (SIC 2352*)

	1985	1984	1982	% Change 1985/84
Number of companies	na	na	285	na
Number of establishments, total**	na	261	314	na
Number with 20 or more employees	na	130	136	na
Employees, total (thous.)	12.0	13.1	13.2	- 8.4
Production workers (thous.)	10.3	11.6	11.8	- 11.2
Payroll (mil.$)	$142.3	$142.9	132.2	- 0.4
Value added by manufacture# (mil.$)	254.7	236.2	244.7	+ 7.8
Value of industry shipments## (mil.$)	494.4	511.5	432.4	- 3.3
Capital expenditures, new (mil.$)	17.7	6.4	7.7	+176.6
Machinery and equipment (mil. $)	na	na	4.3	na

Hosiery (SIC 2252*)

	1985	1984	1982	% Change 1985/84
Number of companies	na	na	376	na
Number of establishments, total**	na	393	420	na
Number with 20 or more employees	na	262	263	na
Employees, total (thous.)	31.7	33.3	32.6	- 4.8
Production workers (thous.)	27.9	28.6	28.8	- 2.4
Payroll (mil.$)	$386.4	$376.5	326.5	+ 2.6
Value added by manufacture# (mil.$)	698.1	707.7	617.3	- 1.4
Value of industry shipments## (mil.$)	1,551.0	1,604.3	1,443.4	- 3.3
Capital expenditures, new (mil.$)	31.0	35.4	31.4	- 12.4
Machinery and equipment (mil. $)	na	na	24.2	na

na not available

* Manufacturers are classified by industry under the Standard Industrial Classification (SIC) system (1972) determined by the principal product made, as shown below:

(continued)

(footnotes continued)

SIC 2321 comprises establishments primarily engaged in manufacturing men's, youths' and boys' dress and sport shirts, and nightwear from purchased woven or knit fabric (cut and sewed). Also includes manufacturers of knit outerwear sports shirts from purchased knit fabric. Does not include work shirt manufacturers of products made in knitting mills. For 1982 the 741 establishments (plants) in this industry included 290 manufacturers, 118 jobbers, 193 independent contractors and 140 multiplant company contractors.

SIC 2322 includes establishments primarily engaged in manufacturing men's, youths', boys' underwear cut and sewed from purchased woven or knit fabric.

SIC 2254 includes establishments primarily engaged in knitting underwear and nightwear from yarn, or in making them from knit fabric produced in the same mill.

SIC 2323 comprises establishments primarily engaged in manufacturing men's, youths' and boys' neckties, scarfs and mufflers cut and sewed from purchased woven or knit fabric.

SIC 2352 includes establishments primarily engaged in manufacturing hats, caps and hat bodies. Millinery is not included.

SIC 2252 includes mills primarily making men's and boys' hosiery. It includes mills engaged in knitting, dyeing or finishing hosiery except women's hosiery. In addition to men's and boys' hosiery, the industry makes anklets for women and children, slipper socks, etc.

** Covers manufacturing establishments (plants) only, and each location is separately counted. Not included are separate auxiliary locations serving the plants (i.e. administrative offices, purchasing offices, sales promotion offices, etc.) Information on establishments in 1984 is from the Census Bureau's County Business Patterns.

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments with adjustments for finished products inventories. It avoids duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for more purposes the best value of measure of individual industries.

Value of industry includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary and secondary products made in these industries. The value of the primary product alone (men's furnishings) of these industries, plus the value of these products produced by manufacturers classified in other industries, identified as "product shipments," are shown on pages 17 thru 19.

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
1985, 1984 Annual Survey of Manufactures

GENERAL INDUSTRY STATISTICS

Based on data compiled by the Census Bureau, the International Trade Administration (also part of the U.S. Department of Commerce) compiles annual projections covering industry and product shipments in constant (1982) dollars (which eliminate the effects of inflation) for a limited number of apparel classifications. Projections for 1986 compared with reported 1984 and 1985 figures are noted below.

Value of Men's & Boys' Shirts & Nightwear Industry Shipments: 1984 - 1986

(Constant (1982) dollar figures in millions)

			Compound Annual Growth	
1986(e)	1985(e)	1984	1982-1984	1979-1984
$3,322	$3,321	$3,568	- 0.8%	- 0.2%

(e) estimated

Source: U.S. Department of Commerce:
International Trade Administration,
1987 U.S. Industrial Outlook

Employment & Earnings

According to the Bureau of Labor Statistics, total employment as well as production worker employment increased for the first time since 1983 in 1986 in the shirt, nightwear, and hosiery segments of the furnishings industry. Employment in knit underwear mills has continued to decline according to the data.

It should be noted that employment and earnings data issued by the BLS and by the Census Bureau are not directly comparable due to differences in methodology used by each agency in compiling data.

Average Employment & Earnings In Furnishings Manufacturing Plants: 1984-1986

(Includes Producers of Both Men's & Boys' Furnishings)

Industry	1986	1985	1984	% Change 1986/85
Shirts & nightwear (SIC 2321*)				
All employees (thous.)	85.8	84.5	94.7	+ 1.5%
Production workers (thous.)	74.1	73.1	82.1	+ 1.4
Avg. weekly earnings	$193.13	$182.81	$179.58	+ 5.6
Avg. hourly earnings	$ 5.15	$ 5.05	$ 4.88	+ 2.0
Avg. weekly hours	37.5	36.2	36.8	+ 3.6
Avg. overtime hours	1.5	1.0	1.1	+50.0
Hosiery (SIC 2252*)				
All employees (thous.)	35.2	34.3	35.1	+ 2.6
Production workers (thous.)	31.4	30.7	31.5	+ 2.3
Avg. weekly earnings	$232.76	$213.23	$209.44	+ 9.2
Avg. hourly earnings	$ 6.03	$ 5.81	$ 5.60	+ 3.8
Avg. weekly hours	38.6	36.7	3.74	+ 5.2
Avg. overtime hours	2.9	1.7	1.8	+70.6

(continued)

GENERAL INDUSTRY STATISTICS

Employment & Earnings

Average Employment & Earnings In Furnishings Manufacturing Plants: 1984-1986
(Includes Producers of Both Men's & Boys' Furnishings)
(continued)

	1986	1985	1984	% Change 1986/85
Knit underwear mills (SIC 2254*)				
All employees (thous.)	23.9	24.6	27.1	- 2.8
Production workers (thous.)	19.8	20.7	23.3	- 4.3
Avg. weekly earnings	$231.67	$209.19	$206.46	+10.7
Avg. hourly earnings	5.88	5.70	5.55	+ 3.2
Avg. weekly hours	39.4	36.7	37.2	+ 7.4
Avg. overtime hours	2.5	1.4	1.4	+78.6

* SIC codes, see page 5

Source: U.S. Bureau of Labor Statistics, Employment & Earnings

Industry Concentration

Men's furnishings manufacturing is dominated by small companies, which for the most part, operate only one plant. However, the larger, multi-unit operations account for the majority of industry shipments. In only the neckwear and headwear segments did single unit operations represent the majority of industry shipments according to data on concentration compiled by the U.S. Census Bureau in the 1982 census of manufactures.

The top 20 companies, based on shipments and miscellaneous receipts, accounted for over half of the total business done in almost all segments of the furnishings industry classification.

Many of the larger companies in the industry are continuing to aggressively seek to increase their market shares. In the underwear segment, Hanes and Fruit of the Loom when combined control over 50% of the market are currently waging large scale comparitive advertising campaigns which stress quality and comfort. In the dress shirt arena, industry leader Phillips Van-Huesen is seeking to expand their business through the increased use of licensing, targeting upscale discounters as the primary customer for this expansion.

GENERAL INDUSTRY STATISTICS

Industry Concentration

Single & Multiunit Companies' Share of Industry Shipments, 1982

Industry Segments*	Companies	Plants No.	Plants %	Employees Thous.	Employees %	Value of Industry Shipments Thous. $	Value of Industry Shipments %
Men's & boys' shirts & nightwear	535	741	100.0%	88.7	100.0%	$3,477.7	100.0%
Multiunit companies	149	335	47.9	68.8	77.6	2,897.8	83.3
Single unit companies	386	386	52.1	19.9	22.4	579.9	16.7
Men's & boys' underwear	61	77	100.0%	11.0	100.0%	429.4	100.0%
Multiunit companies	17	33	42.9	9.4	85.5	382.1	89.0
Single unit companies	44	44	57.1	1.6	14.5	47.3	11.0
Knit underwear mills	72	84	100.0%	22.3	100.0%	829.9	100.0%
Multiunit companies	28	40	47.6	19.7	88.3	720.9	86.9
Single unit companies	44	44	52.4	2.6	11.7	109.0	13.1
Neckwear	165	170	100.0%	6.7	100.0%	335.0	100.0%
Multiunit companies	17	22	12.9	2.2	32.8	139.8	41.7
Single unit companies	148	148	87.1	4.5	67.2	195.3	58.3
Hats & caps, except millinery	285	314	100.0%	13.2	100.0%	432.4	100.0%
Multiunit companies	27	56	17.8	6.2	47.0	203.1	47.0
Single unit companies	258	258	82.2	7.0	53.0	229.4	53.0
Hosiery	376	420	100.0%	32.6	100.0%	1,443.4	100.0%
Multiunit companies	44	88	21.0	16.4	50.3	802.4	56.0
Single unit companies	332	332	79.0	16.2	49.7	640.9	44.0

* For a definition of each, see page 5

Source: U.S. Bureau of the Census:
1982 Census of Manufactures
Type of Organization, Subject Series (MC82-5)

Concentration By Employment Size, 1982

	Establishments Number	Establishments %	Value Added By Manufacture* (mil. $)	Value Added By Manufacture* %	Industry Shipments* (mil. $)	Industry Shipments* %
Men's & boys' shirt & nightwear industry, U.S. total	741	100.0%	$1,785.5	100.0%	$3,477.7	100.0%
By establishment (plant) size:						
Under 20 employees	182	24.6	54.0	3.0	161.8	4.7
20 - 49 employees	139	18.8	121.4	6.8	271.2	7.8
50 - 99 employees	119	16.1	196.9	11.0	409.1	11.8
100 or more employees	301	40.6	1,413.2	79.1	2,635.6	75.8

(continued)

GENERAL INDUSTRY STATISTICS

Industry Concentration

Concentration By Employment Size, 1982
(continued)

	Establishments		Value Added By Manufacture*		Industry Shipments*	
	Number	%	(mil. $)	%	(mil. $)	%
Men's & boys' underwear industry U.S. total	77	100.0	210.2	100.0	429.4	100.0
By establishment (plant) size:						
Under 20 employees	26	33.8	3.5	1.7	7.4	1.7
20 - 49 employees	10	13.0	2.6	1.2	5.3	1.2
50 - 99 employees	12	15.6	10.8	5.1	21.9	5.1
100 or more employees	29	37.7	193.3	92.0	394.8	91.0
Knit underwear mills industry U.S. total	84	100.0	446.2	100.0	829.9	100.0
By establishment (plant) size:						
Under 20 employees	23	27.4	3.3	0.7	9.9	1.2
20 - 49 employees	12	14.3	10.1	2.3	19.1	2.3
50 - 99 employees	14	16.7	21.3	4.8	38.4	4.6
100 or more employees	35	41.7	411.5	92.2	762.5	91.9
Neckwear industry, U.S. total	170	100.0	184.5	100.0	335.0	100.0
By establishment (plant) size:						
Under 20 employees	79	46.4	14.0	7.6	27.4	8.2
20 - 49 employees	47	27.6	36.7	19.9	70.1	20.9
50 - 99 employees	26	15.3	45.7	24.8	84.5	25.2
100 or more employees	18	10.6	88.1	47.8	153.0	45.7
Hats & caps industry, U.S. total	314	100.0	244.7	100.0	432.4	100.0
By establishment (plant) size:						
Under 20 employees	178	56.7	24.7	10.1	45.7	10.6
20 - 49 employees	68	21.7	37.6	15.4	66.8	15.4
50 - 99 employees	30	9.6	36.4	14.9	65.8	15.2
100 or more employees	38	12.1	146.0	59.7	254.1	58.8
Hosiery, n.e.c. industry, U.S. total	420	100.0	617.3	100.0	1,443.4	100.0
By establishment (plant) size:						
Under 20 employees	157	37.4	18.1	2.9	46.6	3.2
20 - 49 employees	110	26.2	55.7	9.0	161.4	11.2
50 - 99 employees	53	12.6	60.6	9.8	153.2	10.6
100 or more employees	100	23.8	482.9	78.2	1,082.2	75.0

n.e.c. not elswhere classified
* For an explanation of terms, see page 5

Source: U.S. Bureau of the Census: 1982 Census of Manufactures

GENERAL INDUSTRY STATISTICS

Plant Capacity Utilization

For the fourth quarter of 1985, men's & boys' neckwear mills in the U.S. operated at 94% of the preferred rate compared with 79% for knit underwear mills and 87% for hosiery operations. (The preferred rate is defined as a level, normally between actual operations and practical capacity, which the manufacturer would prefer not to exceed due to cost or other considerations). The following figures represent the ratio of actual utilization to the preferred level of operations.

Capacity Utilization Rates: Fourth Quarter 1982 - 1985

Industry*	1985	1984	1983	1982
Shirts & nightwear (men's & boys')	nr	nr	89	82
Neckwear (men's & boys')	94	94	nr	nr
Hats & caps, except millinery	nr	66	75	nr
Hosiery	87	83	90	84
Knit underwear mills	79	100	94	80

nr not reported
* SIC codes, see page 5

Source: U.S. Bureau of the Census
Current Industrial Reports
Survey of Plant Capacity Utilization, 1985 MC-CI(85)1

Industry Location

The following table based on the 1982 census of manufacturers, covers leading states in the value added by manufacture of plants classified in the industries related to men's and boys' furnishing products.

Knitting operations (particularly hosiery) are concentrated in North Carolina. That state is also important in the production of men's and boys' shirts and nightwear. New York is the center for neckwear production, as well as hats and caps.

Industry Statistics For Leading States, 1982

	All Plants		Employees		Value added By Manufacture	
Industry*	Total	With 20+ Employees	No. (thous.)	% of total	Mil. $	% of total
Men's & boys' shirts & nightwear, U.S. total	741	560	88.7	100.0%	$1,785.5	100.0%
Leading states:						
North Carolina	87	80	12.9	14.5	227.0	12.7
Georgia	43	40	9.1	10.3	222.1	12.4
New York	108	49	4.3	4.8	199.6	11.2
Alabama	47	46	11.9	13.4	164.0	9.2
Pennsylvania	54	47	7.1	8.0	160.6	9.0

(continued)

GENERAL INDUSTRY STATISTICS

Industry Location

Industry Statistics For Leading States, 1982
(continued)

	All Plants		Employees		Value added By Manufacture	
	Total	With 20+ Employees	No. (thous.)	% of total	Mil. $	% of total
Men's & boys' underwear, U.S. total	77	51	11.0	100.0%	$210.2	100.0%
Leading states:						
Georgia	11	10	1.7	15.5	24.2	11.5
South Carolina	5	5	1.2	10.9	13.0	6.2
Knit underwear mills, U.S. total	84	61	22.3	100.0	446.2	100.0
Leading states:						
North Carolina	14	12	6.4	29.7	99.8	22.4
Pennsylvania	40	19	1.9	8.5	60.4	13.5
New York	15	8	1.0	4.5	34.1	7.6
Georgia	5	4	1.0	4.5	29.7	6.7
Men's & boys' neckwear, U.S. total	170	91	6.7	100.0	184.5	100.0
Leading states:						
New York	77	38	2.4	35.8	63.5	34.4
California	17	8	0.7	10.4	26.0	14.1
North Carolina	11	8	0.8	11.9	18.6	10.1
New Jersey	12	7	0.3	4.5	9.2	5.0
Connecticut	5	4	0.2	3.0	4.0	2.2
Hats & caps, except millinery, U.S. total	314	136	13.2	100.0	244.7	100.0
Leading states:						
New York	87	29	2.0	15.2	36.6	15.0
Kentucky	7	6	0.5	3.8	17.1	7.0
Pennsylvania	23	7	0.8	6.1	14.8	6.0
California	23	7	0.6	4.5	12.2	5.0
Florida	15	5	0.3	2.3	5.9	2.4
Hosiery, n.e.c., U.S. total	420	263	32.6	100.0	617.3	100.0
Leading states:						
North Carolina	274	171	20.2	62.0	366.5	59.4
Tennessee	32	25	4.0	12.3	79.4	12.9
Alabama	41	24	2.0	6.1	33.8	5.5
Georgia	19	12	1.8	5.5	33.8	5.5
Pennsylvania	8	6	1.5	4.6	33.5	5.4

n.e.c. not elsewhere classified
*SIC codes, see page 5

Source: U.S. Bureau of the Census:
1982 Census of Manufactures

PRODUCTION

The U.S. Census Bureau compiles monthly and annual reports on production of men's furnishings by U.S. producers. This includes those cut or knit within the 50 states of the U.S. from material owned by the reporting company or by others on its account. In addition, furnishings items, such as underwear, which are cut in the U.S., then sent outside the country to be sewn, and shipped back to the U.S. under the 807 import category are also included.

The figures are compiled through a mail survey among all known manufacturers and jobbers of men's furnishings, except the very small (generally less than five employees).

Preliminary figures for 1986 covering production of men's dress and business shirts indicate production declined 4.2% falling to 7,446,000 dozen. In 1985 dress shirt production increased 1.3% to 7,776,000 dozen.

Only two categories recorded increased production in 1985 -- dress shirts (+1.3%) and boxer shorts (+0.8%).

The largest decline in production was recorded in men's & boys' thermal underwear.

Summary of Production of Reported Furnishings, 1982, 1984, 1985
(Men's only, except where noted)

	Thous. Dozen			% Change
	1985	1984(r)	1982	1985/1984
Dress & business shirts, incl. uniform	7,776	7,680	7,484	+ 1.3%
Pajamas & other nightwear, excl. robes	1,049	1,124	1,333	- 6.7
Robes (men's & boys')	948	967	747	- 2.0
Lightweight undershirts with 1/4 sleeve, excl. T-shirts made for outerwear	16,923	17,485	14,125	- 3.2
Sleeveless type athletic undershirts (men's & boys')	3,020	3,473	2,779	- 13.0
Thermal underwear tops (men's & boys')	2,462	2,358	1,841	- 4.4
Thermal underwear bottoms (men's & boys')	1,822	2,201	1,777	- 17.2
Thermal one-piece underwear (men's & boys')	85	102	93	- 16.7
Boxer shorts	4,096	4,065	4,393	+ 0.8
Supporter-type, knit briefs	25,366	26,893	24,170	- 5.7
Hosiery, size ten & up	67,384	68,372	62,002	- 1.4

(r) revised

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Men's & Boys' Outerwear, MA-23-E(85)-1,
Underwear & Nightwear, MA23G(85)-1.

Production of Reported Types of Furnishings By Type of Fabric & Construction, 1982, 1984, 1985

(Men's only, except where noted)

	Thous. Doz.			% Change
	1985	1984(r)	1982	1985/1984
Dress & business shirts, incl. uniform, total	7,776	7,680	7,484	+ 1.3%
By fabric:				
All cotton & chiefly cotton	2,883	2,626	1,350	+ 9.8
All manmade & chiefly manmade	4,795	7,555	5,809	- 36.5
All other fabric	6	2	8	+200.0
Fabric, n.s.k.	92	297	317	- 69.0
Uniform shirts	724	881	1,065	- 17.8
Pajamas & other nightwear, excl. robes, total	1,049	1,124	1,333	- 6.7
By construction:				
Woven fabric	847	936	917	- 9.5
Knit fabric	183	166	196	+ 10.2
Construction, n.s.k.	19	22	220	- 13.6
By fabric:				
All cotton & chiefly cotton	665	753	833	- 11.7
All manmade & chiefly manmade	363	345	na	+ 5.2
All other fabric Fabric, n.s.k.	21	26	na	- 19.2
Robes (men's & boys'), total	948	967	747	- 2.0
By construction:				
Woven fabric	282	326	257	- 13.5
Knit fabric	579	562	415	+ 3.0
Construction, n.s.k.	87	79	75	+ 10.1
By fabric:				
All cotton & chiefly cotton	205	223	154	- 8.1
All manmade & chiefly manmade	656	664	na	- 1.2
All other fabric Fabric, n.s.k.	87	80	na	+ 8.8
Knit underwear				
Lightwear undershirts with 1/4 sleeve, excl. T-shirts made for outerwear, total	16,923	17,485	14,125	- 3.2
By fabric:				
Cotton/polyester blended fabric	2,560	2,933	4,614	- 12.7
All cotton & all other cotton blends	13,918	14,102	9,274	- 1.3
All other fabric Fabric, n.s.k.	445	450	240	- 1.1

(continued)

Production of Reported Types of Furnishings By Type of Fabric & Construction, 1982, 1984, 1985

(Men's only, except where noted)
(continued)

	Thous. Doz.			% Change
	1985	1984(r)	1982	1985/1984
Sleeveless athletic type undershirts (men's & boys'), total	3,020	3,473	2,779	- 13.0
By fabric:				
Cotton/polyester blended fabric	613	1,012	713	- 39.4
All cotton & all other cotton blends	2,304	2,366	2,052	- 2.6
All other fabric Fabric, n.s.k.	103	95	14	+ 8.4
Thermal underwear, incl. winter weight (men's & boys'), total	4,369	4,661	3,771	- 6.3
Tops, total	2,462	2,358	1,841	+ 4.4
By fabric:				
Cotton/polyester blend	1,345	1,686	1,193	- 20.2
All cotton & other cotton blends	747	329	561	+127.1
All other fabric Fabric, n.s.k.	370	343	87	+ 7.9
Bottoms, total	1,822	2,201	1,777	- 17.2
By fabric:				
Cotton/polyester blend	1,075	1,768	958	- 39.2
All cotton & other cotton blends	677	332	684	+103.9
All other fabric Fabric, n.s.k.	70	101	135	- 30.7
One-piece (union-suits), total	85	102	93	- 16.7
By fabric:				
Cotton/polyester blend	23	38	46	- 39.5
All cotton & all other cotton blends All other fabric	62	64	47	- 3.1
Knit shorts & briefs, total	25,336	26,893	24,170	- 5.8
Cotton/polyester blend	5,215	6,789	8,053	- 23.2
All-cotton & all other cotton blends	19,287	19,393	15,328	- 0.5
All other fabric	864	711	789	+ 21.5
Boxer shorts, men's, woven	4,096	4,065	4,394	+ 0.8
Cotton/polyester blend	3,573	3,517	4,156	+ 1.6
All-cotton & all other cotton blends All other fabric	523	533	238	- 1.9

(r) revised
n.s.k. not specified by kind

Source: U.S. Bureau of the Census:
Current Industrial Reports,
MA-23E & MA23G(85)-1

PRODUCTION

Production of Reported Types of Men's Hosiery by Type: 1982, 1984, 1985

(in thousand pairs)

	Thous. Dozen			% Change
	1985	1984	1982	1985/1984
Hosiery, size 10 & up, total	67,384	68,372	62,002	- 1.4%
Footsocks	959	733	352	+ 30.8
Anklets	25,083	26,047	26,723	- 3.7
Mid-calf/crew	17,583	17,657	17,274	- 0.4
Knee-highs	23,759	23,953	17,653	- 0.8

Source: National Association of Hosiery Manufacturers: 1985 Hosiery Statistics

Materials Consumed in Production

Manufacturers of furnishings reported using broad woven fabrics valued at $505.7 million in 1982 compared with $480.5 million reported in 1972. For purchased knitted fabrics, manufacturers reported consuming $582.9 million worth in 1982 compared with $487.5 million in 1977.

Value of Materials Consumed in the Production of Specified Men's Furnishings, 1977, 1982

(Delivered cost; millions of current $)

	1982	1977	% Change 1982/1977
Shirts & nightwear (SIC 2321*), total	$1,182.8	$1,107.9	+ 6.8%
Broad woven fabrics	413.6	400.7	+ 3.2
Purchased knitted fabrics	452.6	365.8	+ 23.7
All other materials, containers & supplies	316.6	341.4	- 7.3
Underwear (cut-&-sewn) (SIC 2322*), total	177.5	182.3	- 2.6
Broad woven fabrics	30.3	30.3	--
Purchased knitted fabrics	118.7	112.4	+ 5.6
All other materials, containers & supplies	28.5	39.6	- 28.0
Knit underwear mills (SIC 2254*), total	329.9	325.8	+ 1.3
Purchased knitted fabrics	5.3	7.5	- 29.3
Carded cotton yarns	83.8	94.5	- 11.3
Combed cotton yarns	35.9	40.7	- 11.8
Manmade fiber yarns, filament & spun	57.4	34.4	+ 66.9
All other yarns	28.8	25.7	+ 12.1
All other materials, containers & supplies	118.7	123.0	- 3.5
Neckwear (SIC 2323*), total	127.7	93.4	+ 36.7
Broad woven fabrics	61.8	49.5	+ 24.8
Purchased knitted fabrics	6.3	1.8	+250.0
All other materials, containers & supplies	59.6	42.1	+ 41.6

(continued)

Materials Consumed in Production

Value of Materials Consumed in the Production of Specified Men's Furnishings, 1977, 1982

(Delivered cost; millions of current $)
(continued)

	1982	1977	% Change 1982/1977
Hosiery (SIC 2252*), total	$ 734.5	$ 478.1	+ 53.6%
Hosiery in the griege	204.9	134.8	+ 52.0
Cotton yarns	78.4	53.1	+ 47.6
Nylon spun yarns	26.6	28.7	- 7.3
Acrylic yarns	146.2	71.7	+103.9
Nylon filament yarns	68.4	42.6	+ 60.6
Spandex filament yarns	10.7	4.8	+122.9
All other yarns	56.3	29.7	+ 89.6
All other materials, containers & supplies	143.0	112.7	+ 26.9

*SIC codes, see page 5

Source: U.S. Bureau of the Census, *Census of Manufactures, 1982: Industry Series*

Cotton has become a much more important factor in both the dress shirt and underwear segments of the industry. Use of cotton in the underwear area has increased on a poundage basis, from 61.8% of fiber consumption in 1983 to 68.8% in 1986.

The increased demand for cotton shirts has caused some companies such as Warnaco to increase U.S. sourcing to supplement foreign sourcing which is subject to import quotas.

Fiber Usage in Men's Underwear & Nightwear Production: 1982 - 1985

(million pounds)

	1985	1984	1983	1982	% Change 1985/84
Total fiber	271.2	264.2	245.7	226.0	+ 2.6%
Manmade fiber, total	83.8	90.5	96.8	79.6	- 7.4
Noncellulosic yarn*	8.2	9.9	14.5	16.3	-17.2
Noncellulosic staple*	75.6	80.6	82.3	63.3	- 6.2
Cotton	186.6	172.6	147.9	145.4	+ 8.1
Wool	0.8	1.0	1.0	1.0	-20.0

*Noncellulosis fibers and staples include nylon, polyester, acrylic, olefin, saran, spandex and textile glass fibers

Source: Textile Economics Bureau *Textile Organon* (September 1986)

PRODUCTION

Seasonality in Production

Percent of Men's Dress & Business Shirt Cuttings by Month, 1985, 1986

Year	Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1986	100.0%	8.8%	7.9%	8.5%	9.0%	8.2%	8.2%	6.8%	9.1%	9.2%	9.6%	7.7%	7.0%
1985	100.0	10.0	8.4	8.3	8.4	8.7	7.5	5.2	9.4	8.5	10.0	8.7	6.9

Source: Based on U.S. Bureau of the Census:
Current Industrial Reports,
Men's & Boys' Outerwear, MA-23E(85)-1

PRODUCT SHIPMENTS

In contrast with "industry shipments" previously covered and defined on page 4, the value of specific products shipped by all manufacturers (product shipments), regardless of industry classification, is reported by the Census Bureau.

In addition, the International Trade Administration compiles trend information on some products covering the value of shipments on a constant dollar basis, eliminating the effects of inflation. Compared with a 4.1% decline in "real" value of shipments of men's shirts and nightwear in 1985 compared with 1984, the ITC anticipated a real gain of 2.0% in product shipments in 1986 compared with 1985.

Trends in The Constant Dollar Value of Shipments
Men's Shirts & Nightwear
(Based on the 1982 $)

	Perfect Change Compound Annual		Annual	
	1972-1984	1979-1984	1984-1985	1985-1986
Men's shirts, nightwear	- 1.0%	- 0.2%	- 7.0%	+ 0.2%

Source: International Trade Administration:
1987 U.S. Industrial Outlook

The latest information available on manufacturers shipments of specified men's furnishings (current dollar value) is covered in the 1985 Annual Survey of Manufactures, compiled by the Census Bureau. The ASM is based on reports from a sample of manufacturers and the data is adjusted for comparability with the complete census, compiled for 1982. However, for most products in the furnishings classification data on men's is combined with boys'.

The total for all reported men's and boys' furnishings shipped in 1985 was $7.3 billion, representing a gain of 15.2% compared with 1982 and 2.3% over the value in 1984.

Value of Shipments by All U.S. Producers of Specified Categories of Men's & Boys' Furnishings 1982-1985

(Millions of dollars)

	1985	1984	1983	1982	% Change 1985/82
Total, all reported categories	$7,327.2	$7,162.2	$6,745.9	$6,362.6	+ 15.2%
Shirts					
Knit outerwear sport shirts	1,236.0	1,251.9	1,239.0	1,112.9	+ 11.1
Dress & sport shirts	1,365.2	1,189.8	1,164.8	1,212.1	+ 12.6
Nightwear:					
Nightwear	164.9	139.2	127.5	151.3	+ 9.0
Contract work on nightwear & shirts	606.1	614.2	489.7	474.5	+ 27.7
Nightwear & shirts, n.s.k.	232.7	199.7	169.3	167.1	+ 39.3
Underwear from purchased materials	442.1	464.1	462.5	425.5	+ 3.9
Neckwear, including youths	306.5	323.9	330.9	310.4	- 1.3
Hats & caps, except millinary	469.9	483.9	433.3	416.9	+ 12.7
Hats & hat bodies, exc. cloth & millinery	104.8	92.4	75.9	83.2	+ 26.0
Cloth hats & caps	330.4	327.6	302.4	272.0	+ 21.4
Hats & caps, exc. millinery, n.s.k.	34.7	63.9	55.0	61.6	- 43.7
Hosiery	1,518.2	1,575.7	1,516.6	1,324.5	+ 14.6
Finished seamless hosiery	723.3	760.6	713.2	655.0	+ 10.4
Seamless grey hosiery, full & knee length	183.5	177.6	187.3	155.6	+ 17.9
Hosiery, n.e.c., n.s.k.	65.8	72.6	74.2	61.9	+ 6.3
Knit underwear & nightwear	985.6	919.8	812.2	767.4	+ 28.4
Knit underwear & nightwear	762.5	658.8	556.6	574.8	+ 32.7
Knit underwear & nightwear, n.s.k.	24.9	41.1	na	5.5	+352.7

n.s.k. not specified by kind
n.e.c. not elsewhere classified
na not available

Source: U.S. Bureau of the Census,
1985 Annual Survey of Manufactures
Value of Product Shipments M85(AS)-2

More detailed information, which in many categories eliminates boys furnishings, is contained in the Current Industrial Reports. These figures are developed through a mail survey to all known U.S. manufacturers and jobbers except very small operations (less than five employees) and include garments assembled abroad under the terms of item 807 of the Tariff Schedule.

PRODUCT SHIPMENTS

Value of Shipments of Specified Furnishings: 1984, 1985

(Men's only, except where noted)
(Millions of dollars)

	1985	1984	% Change 1985/84
Reported total	$2,108.5	$2,107.4	+ 0.1%
Shirts: dress, business, uniform	881.0	860.4	+ 2.4
Nightwear/robes, total	196.3	201.6	- 2.6
Pajamas & other nightwear	81.4	83.6	- 2.6
Robes (including men's and boys')	114.9	118.0	- 2.6
Underwear (reported total)	1,031.2	1,045.4	- 1.4
Boxer shorts, woven	76.0	75.0	+ 1.3
Briefs and shorts, knit	375.4	390.9	- 4.0
Undershirts:			
Lightweight with 1/4 sleeve, not including outerwear T shirts	328.4	344.3	- 4.6
Sleeveless athletic-type (men's, boys')	47.0	46.6	+ 0.9
Thermal underwear (men's, boys')	177.7	167.5	+ 6.1
Tops (undershirts)	101.3	85.6	+18.3
Bottoms (drawers, etc.)	69.4	73.0	- 4.9
One piece (union suits)	7.0	8.9	-21.3

Source: U.S. Bureau of the Census:
Current Industrial Reports
(MA23E, MA23G 85-1)

Concentration of Product Shipments

While there has been some consolidation, particularly in the shirt and headwear segments, the share of market accounted for by the largest furnishings manufacturers declined somewhat for many products between 1977 and 1982. The latest figures on the share of specific product shipments accounted for by the largest companies are reported below.

Concentration among the largest firms is highest among headwear and underwear areas where the four largest firms accounted for 76% and 61% of shipments respectively, in 1982. The lowest levels of concentration were recorded in the neckwear and hosiery groups where the four largest manufacturers represented 23% of shipments in both groups.

PRODUCT SHIPMENTS

Concentration of Product Shipments

Share of Specified Men's Furnishings Product Shipments By The Largest U.S. Manufacturers, 1982

	Product Shipments (Mil. $)	% of value accounted for by the largest companies			
		Top 4	Top 8	Top 20	Top 50
Men's & boys' dress & sport shirts, exc. knit					
1982	1,212.1	29	42	64	87
1977	1,344.6	26	40	61	79
Men's & boys' nightwear, exc. robes					
1982	151.3	59	80	98	100
1977	152.8	46	64	94	100
Men's & boys' knit or woven underwear					
1982	439.3	61	77	94	99+
1977	350.0	66	82	95	100
Men's youths & boys' neckwear					
1982	310.4	23	36	56	83
1977	211.2	28	40	60	85
Hats & hat bodies, exc. cloth & millinery					
1982	83.2	76	90	100	--
1977	66.4	61	78	95	100
Cloth hats and caps					
1982	272.0	29	44	65	89
1977	176.6	31	46	70	92
Men's finished seamless hosiery					
1982	655.0	23	35	57	82
1977	464.6	24	36	59	82

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982
Concentration Ratios in Manufacturing

Leading States

The U.S. Bureau of the Census currently has available statistics on shipments by state for five segments of the furnishings industry, as summarized below.

New York accounted for the largest share of shipments of shirts and nightwear in 1982, while North Carolina was the leader in underwear and hosiery.

PRODUCT SHIPMENTS

Leading States

Value of Product Shipments of Specified Furnishings Products By Leading States, 1977, 1982
(Millions of dollars)

	1982	1977	% change 1982/77
Men's & boys'			
Dress & sport shirts, U.S. total	$1,212.1	$1,344.6	- 9.9%
Leading states:			
New York	225.0	228.9	- 1.7
Georgia	183.4	137.7	+ 33.2
Pennsylvania	136.9	81.6	+ 67.8
North Carolina	109.3	67.0	+ 63.1
Alabama	105.7	117.0	- 9.7
Nightwear, except robes, U.S. total	151.3	152.8	- 1.0
Leading States:			
New York	48.8	65.2	- 25.2
Alabama	19.6	na	--
Commission work on shirts & nightwear, U.S. total	474.5	372.6	+ 27.3
Leading states:			
Georgia	80.2	41.9	+ 91.4
Pennsylvania	52.8	39.6	+ 33.3
Tennessee	52.8	47.0	+ 12.3
North Carolina	51.6	47.2	+ 9.3
South Carolina	43.2	23.7	+ 82.3
Knit underwear & nightwear, from yarns or fabrics knit in same establishment, U.S. total	574.8	431.0	+ 33.6
Leading states:			
North Carolina	110.1	72.9	+ 51.0
Pennsylvania	90.4	95.8	- 5.6
New York	43.9	14.8	+196.6
Men's finished seamless hosiery (sizes 10 or larger) U.S. total	655.0	464.6	+ 41.0
Leading states:			
North Carolina	259.8	169.9	+ 52.9
Tennessee	78.7	40.6	+ 93.8
Alabama	33.4	18.2	+ 83.5
Georgia	29.6	17.4	+ 70.1
Wisconsin	7.1	6.3	+ 12.7

na not available

Source: U.S. Bureau of the Census
1982 Census of Manufactures, Industry Series

PRODUCER PRICE TRENDS

Primarily as the result of higher prices of silk, producer prices of men's and boys' neckwear increased 2.1% between January 1986 and 1987. The only other measured furnishings category to record an increase during the period was robes and dressing gowns, whose factory prices rose 0.9%.

The largest decline in factory prices between January 1986 and 1987 was in knit undershirts (-1.6%) followed by shorts and briefs (-1.4%). Producer prices for men's hosiery remained rather stable in the period recording only slight declines.

Producer Price Indexes for Specified Furnishings
(Men's & boys'; 12/77 = 100, unless specified)

	Jan. Average		% Change	Annual Average		% Change
	1987	1986	1987/86	1986	1985	1986/85
Knit undershirts (1967=100)	272.1	276.7	- 1.6%	274.4	268.2	+ 2.3%
Knit shorts & briefs	142.8	144.8	- 1.4	143.1	143.5	- 0.3
Neckwear	137.9	135.1	+ 2.1	136.4	134.8	+ 1.2
Robes & dressing gowns (6/85=100)	100.5	99.6	+ 0.9	100.1	na	--
Finished seamless hosiery (men's)	157.6	157.7	- 0.1	157.5	157.3	+ 0.1
Unfinished hosiery (men's; 6/84=100)	99.2	99.5	- 0.3	99.7	100.9	- 1.2

na not available

Source: U.S. Bureau of Labor Statistics

FOREIGN TRADE

Imported apparel, particularly from such developing countries as China, Taiwan, South Korea and Hong Kong, now accounts for a major share of the U.S. market, and men's furnishings are definitely not an exception. The quantity is expected to continue to grow this year, although efforts are being made to stem the tide.

The declining dollar has not had an effect in reducing apparel imports to any extent, or in stimulating apparel exports. The currencies of major apparel-supplier countries have been affected very little, if at all, by the devaluation of the U.S. dollar which has had its greatest impact on European countries and Japan. Major suppliers have, where necessary, been able to shave prices in order to stay competitive. The four top suppliers, which account for more than half of U.S. apparel imports, have the benefit of much lower wage rates, which gives leeway in pricing their products.

U.S. trade with these suppliers and most others is governed by the principles of the Multi-Fiber Arrangement (MFA), renewed last year, which provides an international agreement regarding the orderly expansion of textile and apparel trade. Under the MFA, the U.S. has negotiated bilateral agreements with most major suppliers of textile and apparel products to the U.S., and many apparel imports are covered by specific quotas. One major supplier, China, had almost filled its quota on certain cotton goods by the end of the first quarter of 1987; leaving buyers scrambling to place orders elsewhere or turn to domestic sources.

Once again, a Textile and Apparel Trade Act, which would specifically legislate restrictions on apparel imports rather than relying on negotiated quotas under the MFA, is to be considered in Congressional hearings in the summer of 1987, renewing efforts stalled by a Presidential veto of the Textile and Apparel Trade Act in 1986.

One of the strategies adopted by U.S. apparel manufacturers to meet foreign competition has been to become importers themselves, sourcing their products abroad either directly from foreign producers or establishing their own plants in countries offering low-cost advantages. Manufacturers have also taken advantage of another option offered through Item 807 of the U.S. Tariff Code. This provides favorable tariff treatment for apparel assembled in the Caribbean Basin and Mexico from fabrics produced and cut in the U.S. Imports are generally covered by quotas, but duty is levied only on the value added abroad. (An extension of this plan, 807A, which would eliminate quota restrictions has been suggested, but thus far not adopted).

Large retailers are also part of the import picture, sourcing directly abroad from foreign suppliers. This is particularly the case for private brands which retailers have found gives them greater profitability as well as distinctive merchandise in a highly competitive apparel market.

To meet the needs of retailers, particularly in fashion merchandise requiring quick delivery, U.S. manufacturers are strengthening their position against imports by installing new equipment, and through consolidations which have integrated manufacturing processes, increasing productivity and speeding deliveries. They have joined together in an industry-wide "Quick Response" effort to reach retailers, and a "Crafted With Pride in the U.S.A." promotion to persuade consumers to buy domestic manufactures.

The Census Bureau reports that imports of reported categories of men's and boys' furnishings reached $1.3 billion in 1986 with shirts making up the bulk ($1.2 billion) of these.

Imports

Quantity & Value of Imports of Specified Men's & Boys' Furnishings, 1986

	Quantity (Thous. Doz.) 1986	Value C.I.F.# (Thous. $) 1986
Total, reported classifications	na	$1,293,531.1
Shirts	28,963.6	1,201,468.1
Knit	16,482.0	749,545.1
Cotton	7,880.1	418,422.1
Wool	5.3	994.2
Manmade	8,596.6	330,128.8
Not knit	1,494.7	70,670.1
Cotton	309.7	21,250.4
Wool	1.1	58.6
Manmade	1,183.9	49,361.1
Not specified	27,468.9	381,252.9
Cotton	22,253.3	171,506.3
Manmade	5,215.6	209,746.6

(continued)

Imports

Quantity & Value of Imports of Specified Men's & Boys' Furnishings, 1986
(continued)

	Quantity (Thous. Doz.) 1986	Value C.I.F.# (Thous. $) 1986
Pajamas & nightwear	35.8	$ 8,290.7
Not knit	20.0	825.9
Cotton	4.7	303.1
Manmade	5.9	235.9
All other materials	9.4	286.9
Knit		
Cotton	15.8	7,464.8
Dressing gowns & robes	28.1	1,637.3
Not knit	20.0	1,006.9
Cotton	2.4	319.5
Wool	*	6.6
Manmade	11.2	365.7
All other materials	6.4	315.1
Knit		
Cotton	8.1	630.4
Underwear	469.2	4,514.8
Knit	334.5	3,372.0
Cotton	35.6	276.6
Manmade	156.2	903.6
Wool	4.9	536.6
Other materials	137.8	1,655.2
Not knit	134.7	1,142.8
Cotton	23.8	313.5
Manmade	80.9	492.6
All other materials	30.0	336.7
T shirts and tank tops	3,154.5	46,603.4
Knit	3,003.6	42,322.7
Cotton	2,496.7	29,575.3
Manmade	506.9	12,747.4
Not knit	150.9	4,280.7
Cotton	63.9	1,914.6
Manmade	87.0	2,366.1
Neckties	97.3	2,053.2
Cotton	20.1	288.4
Manmade fibers	13.6	171.8
Silk & silk blends	10.9	413.8
All other fibers	52.7	1,179.2

na not applicable *Less than 0.05

The C.I.F. value represents the value of imports at the first port of entry in the U.S. It is based on the purchase price and includes all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Bureau of the Census, U.S. General Imports, IM 146 Dec. 1986

TOTAL DOMESTIC SUPPLY

Shipments, Exports, Imports & Apparent Consumption Reported Types of Furnishings (Men's & Boys'): 1985

(Quantity in thousands of dozens; value in millions of dollars)

	Shirts (Dress & Sport)		Underwear: Knit	
	Quantity	Value	Quantity	Value
Shirts				
Manufacturers shipments*	59,183	$3,306.8	63,417	$1,106.8
Exports of domestic mdse.**	2,374	62.6	235	3.4
"807" imports				
Quantity	1,987	--	31	--
Value: U.S. content	--	39.6	--	0.1
Total value, c.i.f.***	--	98.1	--	0.2
Total imports for consumption				
Quantity	42,135	--	3,635	--
Value (c.i.f.)	--	2,594.0	--	35.2
Net new domestic supply	98,944	5,838.2	66,817	1,138.6
Imports: % of supply	42.6%	44.4%	5.4%	3.1%

	Underwear: Woven		Nightwear	
	Quantity	Value	Quantity	Value
Shirts				
Manufacturers shipments*	4,096	$ 76.0	2,262	$ 154.9
Exports of domestic mdse.**	182	1.8	381	9.7
"807" imports				
Quantity	194	--	374	--
Value: U.S. content	--	1.7	--	5.2
Total value, c.i.f.***	--	2.5	--	12.7
Total imports for consumption				
Quantity	365	--	1,454	--
Value (c.i.f.)	--	5.4	--	71.9
Net new domestic supply	4,279	79.6	3,335	217.1
Imports: % of supply	8.5%	6.8%	43.6%	33.1%

*Value of manufacturers' shipments is f.o.b. plant

**Value of exports is value at port

***Includes cost, insurance and freight to port of entry--duty is not included

Source: U.S. Bureau of the Census:
Current Industrial Reports (MA23G, MA23E)

THE POTENTIAL MARKET (POPULATION)

The fastest growing segment of the male population between the years 1987 and 2005 will be the 35-54 year old bracket. This growth, which reflects the aging of the baby boom generation, will push the number of males in this segment to 40.8 million, accounting for more than 30% of the total male population. The second fastest growing age group will be the 55-64 year old bracket, a group expected to grow almost 34% over the period. These two groups, taken together, have a great deal of discretionary income and will be in their prime earning years, a fact that reflects well for the men's furnishings industry.

Estimated Male Population of the U.S., 1987, and Projections*, 1994, 2005

	Number (thousands)			% change	Percent Distribution		
	1987	1994	2005	2005/1987	1987	1994	2005
Total, all ages	118,309	125,464	134,297	+13.5%	100.0%	100.0%	100.0%
Under 16 years	28,608	30,746	29,723	+ 3.9	24.2	24.5	22.1
16 years & older	89,701	94,718	104,574	+16.6	75.8	75.4	77.9
16 - 19	7,546	6,712	8,058	+ 6.8	6.4	5.3	6.0
20 - 34	31,767	29,725	27,416	-13.7	26.9	23.7	20.4
35 - 54	28,239	35,187	40,769	+44.4	23.9	28.0	30.4
55 - 64	10,178	9,793	14,060	+38.1	8.6	7.8	10.5
65 years & older	11,971	13,300	14,271	+19.2	10.1	10.6	10.6
Median age	30.8	33.0	36.0	+16.9	--	--	--

* Middle series of three different projections, each based on alternative assumptions for future fertility, mortality and net immigration levels. Includes Armed Forces overseas.

NOTE: Columns may not add to totals shown due to rounding

Source: U.S. Bureau of the Census,
Current Population Reports (Series P-25, No 952)

Current Trends

According to a market projection made at the end of 1986 by Kurt Salmon Associates, men's furnishings consumption in 1987 is expected to weaken. Based on data collected by NPD (National Panel Diary) Group, Kurt Salmon expects only two of the measured categories of furnishings to show an increase in unit consumption in 1987; socks (+1%) and underwear (+2%).

Year-to-Year Changes in Purchases of Specified Men's Furnishings, 1983-1987
(% change in units)

	Projected 1987/1986	Actual 1986/1985(r)	Actual 1985/1984	Actual 1984/1983
Men's wear, total*	+ 2%	+ 3%	0	- 2%
Dress shirts	- 2	- 3	- 4	+ 8
Underwear	+ 2	+ 7	+ 4	+ 3
Ties	0	- 7	+ 4	+ 2
Socks	+ 1	- 3	+ 3	0

(r) revised * Includes all apparel

Source: Kurt Salmon Associates: Softgoods Outlook for 1987
KSA/NPD Quarterly (March 1987) Based on the KSA/NPD purchase panel of 19,500 households

RETAIL SALES

Dress Shirts

While the $2.2 billion dress shirt market has been on the decline since 1984, not all segments of the market have been down. Cotton dress shirts and better priced merchandise have been two bright spots for retailers. While dress shirt sales did decline overall in 1986, this decline has been less than that registered for the preceding years. Retailers, in attempts to stem the decline have enlivened dress shirt departments by expanding color selections, as well as increasing the numbers of fancy (patterned) shirts in their mix.

The dress shirt market remains highly promotional. A recent study of the market by Kurt Salmon Associates found that nearly three quarters of all dress shirts sold in 1986 were on sale compared with about 60% of men's wear overall. Industry analysts report that better priced merchandise is less affected by off price selling than moderate goods.

Private label merchandise has also become extremely important over the last several years. While Arrow shirts (a division of West Point Pepperell) is the acknowledged leader in dress shirt sales, with about one-third of the market, private label merchandise is currently estimated to control about 30%. Advertising for Arrow shirts in major consumer magazines in 1986 amounted to $880 million.

Underwear

Colors and fashion have been the buzz words in the men's underwear market over the last several years. However, basic white staples are reported to account for about 75% of all underwear sales.

Unit sales of men's underwear grew about 7% in 1986, with total sales estimated to be $1.5 billion that year. The three leading brands of men's underwear are Hanes, Jockey and Fruit of the Loom. Combined, these three companies spend about $4 million on advertising in major consumer magazines with Jockey accounting for about $2 million of the total.

Neckwear

While unit sales in the men's neckwear market declined in 1986, dollar volume is reported to have remained even with 1985 due to higher price points blamed on the increased price of silk. Industry analysts report that neckwear prices increased between 10% and 20% in 1986. Despite these price increases, many retailers reported that sales of better priced silk neckwear is on the rise.

Retailers, attempting to avert a consumer backlash against their higher prices are making their neckwear presentations more fashion oriented and expensive looking.

Other Items

Other items such as jewelry, small leather goods, etc., are generally considered to be in the accessories field and information about them may be found in the Fact File covering Fashion Accessories (Men's and Women's). Additional information on the hosiery industry is included as a part of the Hosiery/Legwear (Men's, Women's and Children's) Fact File. Men's sport shirts are covered extensively in the Men's Sportswear, Casual Wear and Jeans Fact File.

RETAIL SALES BY MERCHANDISE LINE

Sales of specific types of merchandise by type of retail outlet are available through official (U.S. Census Bureau) reports every five years, based on the complete Census of Retail Trade -- the most recent covering operations in the year 1982. The detail on merchandise classifications, however, is not only limited, but not uniformly available for all store types. The Census does not yield information on total sales at retail of men's furnishings, which must therefore be arrived at through trade estimates and information derived from consumer purchase tracking studies.

To the extent available, the following section summarizes information on retail sales of major types of men's furnishings, as covered in the 1982 census of retail trade. This includes major outlet types; however, catalog sellers, which are growing in importance and other retail outlets not specifically mentioned are not included in the total sales figures.

Shirts

Combined information on dress and sport shirts, both knit and woven, is reported in the 1982 census, with sales in four major outlet types amounting to $4.4 billion. The total market for business shirts, alone, through all retail outlets is currently estimated at about $2.2 billion.

Reported Sales of Men's Shirts By Major Outlet Types: 1982

	Establishments*		Sales	
	Number	Percent	Thous. $	Percent
Men's shirts, dress & sport (knit & woven), reported total	40,821	100.0%	$4,445,861	100.0%
Department stores **	8,328	20.4	2,127,968	47.9
Men's wear stores	15,299	37.5	1,181,587	26.6
Family clothing stores	15,238	37.3	1,051,682	23.7
Women's ready-to-wear stores	1,956	4.8	84,624	1.9

* Each business location is counted as a separate establishment (store), including each unit in a multiunit retail operation. Only stores with payroll are included.

**Leased deparments are not included in department store figures but are counted as separate specialty stores in the applicable merchandise category. Catalog order desk sales within the store are included, as well as the total sales of retail stores operated by catalog sellers, such as Sears.

For the first time, the 1982 census of retail trade included counts on the types of department stores included in this classification, as noted below:

	Establishments		Sales: Total Store	
	Number	Percent	Thous. $	Percent
Department stores, total	9,981	100.0	$99,170,163	100.0%
Conventional	2,400	24.0	31,774,520	32.0
Discount/mass merchandisers	5,764	57.7	38,798,763	39.1
National chain	1,817	18.2	28,596,880	28.9

Source: U.S. Bureau of the Census:
1982 Census of Retail Trade,
Merchandise Line Sales (RC82-1-3)

RETAIL SALES BY PRODUCT

Hosiery/Underwear/Nightwear

Department stores, as classified in the 1982 census, accounted for 30% of the stores for which the Census Bureau reported sales of men's hosiery, pajamas and underwear in 1982. It also accounted for 73% of the reported total of $1.6 billion in sales. Current estimates place the retail sales of men's hosiery at about $1.0 billion, underwear at $1.5 billion, and pajamas at $300 million.

Reported Sales of Men's Hosiery, Pajamas & Underwear By Major Outlets: 1982
(In retail establishments with payroll)

	Establishments**		Sales By Outlet Type	
	Nubmer	Percent	Thous. $	Percent
Men's hosiery, pajamas & underwear, reported total	27,678	100.0%	$1,635,778	100.0%
Department stores*	8,242	29.8	1,200,734	73.4
Men's wear stores	9,655	34.9	184,881	11.3
Family clothing stores	8,961	32.4	228,362	14.0
Women's ready-to-wear stores	820	3.0	21,801	1.3

For footnotes, see table on men's shirt sales

Source: U.S. Bureau of the Census:
1982 Census of Retail Trade,
Merchandise Line Sales

RETAIL SALES BY STORE TYPE

Department Stores

Data on selected merchandise line sales in department stores has been made available through published reports covering the complete 1982 census of retail trade. Included in this classification, in addition to traditional department stores, are discount department stores and department store operations of national chains such as Sears, Montgomery Ward, and other mass merchandisers.

Sales of Specified Men's Furnishings in Department Stores: 1982
(Included only establishments with payroll)

	Establishments		Sales of specified merchandise line		
				% of total sales of:	
	Number	Percent	Amount (Thous. $)	Estabs. Selling the line	All Estabs.
Department stores, total	9,981	100.0%	$99,170,163	—	100.0%
Shirts (dress & sport)	8,328	83.4	2,127,968	2.4%	2.1
Hosiery, pajamas & underwear	8,242	82.6	1,200,734	1.4	1.2

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade
Merchandise Line Sales

RETAIL SALES BY STORE TYPE

Department Stores

Merchandising and operating results in 1985 in department stores showed the typical men's and boys' accessories department registering a 10% gain in sales over 1984; while men's and boys' furnishings departments were up only 1.9%. In the typical store, these departments represented 1.4% and 4.0% of total store sales, respectively.

Merchandising & Operating Results of Men's & Boys' Furnishings
In Department Stores With Total Sales Over $1 Million, 1985
(Median results)

	Men's & Boys' Wear, Total (85)*	Men's & Boys' Furnishings** (77)*	Men's & Boys' Accessories*** (32)*
Net sales, % change from last year	+ 3.2%	+ 1.9%	+ 10.0%
Sales, % to total store sales	14.6	4.0	1.4
$ sales per square foot of selling space (main or largest selling unit)	$173.1	$194.4	--
Cumulative markon, %	51.2	52.4	54.8
Gross margin, % of sales (incl. cash discounts)	41.1	45.7	50.7
Advertising, % of net sales	2.7	2.8	2.6
Selling salaries, % of net sales	6.3	6.4	6.1
Number of stock turns (times)	2.7	2.5	3.1

* Number of companies reporting in each category
** Includes: shirts (dress & sport); sweaters, hosiery, nightwear, underwear
***Includes: neckwear, gloves, handkerchiefs, toiletries, leather goods, other accessories

Source: National Retail Merchants Association,
Merchandising & Operating Results in 1986

Specialty Stores

Men's Wear Stores

According to the 1982 census, sales of covered furnishings in men's wear stores specialty stores with payroll amounted to $1.4 billion representing 18.7% of total store sales.

Sales of Specified Men's Furnishings in Men's Wear Stores: 1982
(Includes only establishments with payroll)

	Establishments		Sales of specified merchandise line	% of total sales of:	
	Number	Percent	Amount (Thous. $)	Estabs. Selling the line	All Estabs.
Men's wear stores, reported total	17,480	100.0%	$ 7,734,522	—	100.0%
Shirts (dress & sport)	15,299	87.5	1,181,587	17.2%	15.3
Hosiery, pajamas & underwear	9,655	55.2	184,881	4.0	3.4

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade
Merchandise Line Sales

RETAIL SALES BY STORE TYPE

Specialty Stores

Men's Wear Stores

Selected Merchandising & Operating Results in Men's Wear Stores: 1985
(Median results)

	Men's					
	Dress Shirts	Neck-wear	Hosiery	Under-wear	Sleep-wear	Head-wear
Percent change in sales from last year (59)*	- 3.3%	+ 1.0%	+ 3.1%	+ 3.1%	+ 4.0%	+ 0.2%
Percent of total store sales (75)*	6.7	3.9	1.0	1.2	0.6	0.6
Percent of men's furnishings sales (75)*	39.2	23.6	6.1	7.8	4.1	3.9
Percent distribution of average inventory in men's furnishings dept. (36)*	42.1	20.4	5.2	7.0	4.1	3.1
Markdowns, % of men's furnishings sales (51)*	10.2	8.9	5.0	4.6	10.0	11.7
Number of stock turns (36)*	1.7	2.4	2.1	1.6	1.6	1.8

*Number of reporting firms in each category

Source: Menswear Retailers of America,
1986 Annual Business Survey

Family Clothing Stores

Sales of reported categories of men's furnishings in 1982 in family clothing stores were $1.3 billion according to data from the Census of Retail Trade. Sales of men's shirts including both dress and sport amounted to $2.1 billion in that year in this store type.

Sales of Specified Men's Furnishings in Family Clothing Stores: 1982
(Includes only establishments with payroll)

	Establishments		Sales of specified merchandise line		
				% of total sales of:	
	Number	Percent	Amount (Thous. $)	Estabs. Selling the line	All Estabs.
Family clothing stores, reported total	17,859	100.0%	$13,451,003	—	100.0%
Shirts (dress & sport)	15,238	85.3	1,051,682	8.8%	7.8
Hosiery, pajamas & underwear	8,961	50.2	228,362	3.0	1.7

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade
Merchandise Line Sales

CONSUMER PRICES

Consumer Price Index for Specified Men's Furnishings: 1984-1986
(December 1977=100)

	Annual Averages			% Change	
	1986(p)	1985	1984	1986/85	1986/84
All men's wear	126.4	125.2	121.7	+ 1.0%	+ 3.9%
Furnishings & special clothing	150.9	148.9	144.1	+ 1.3	+ 4.7
Shirts, dress & sport	136.2	135.0	130.1	+ 0.9	+ 4.7

Source: U.S. Bureau of Labor Statistics

RETAIL ADVERTISING

Newspaper advertising for men's dress shirts is highest in June (Fathers day) and December (Christmas), according to data compiled by the Advertising Checking Bureau. June is the leading month accounting for 17.6% of the total while December advertising represents 15.3%.

Percent of Total Newspaper Advertising Linage Done By Month, 1985

	Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Dress shirts	100.0%	3.7%	5.2%	8.1%	7.2%	6.7%	17.6%	5.1%	4.7%	8.2%	8.6%	9.6%	15.3%

Source: The Advertising Checking Bureau, 1985

CONSUMER BUYING HABITS

MRCA Information Services, Stamford, Conn., an independent research company, has compiled information on patterns in purchases of men's furnishings. The results are developed through purchase diaries maintained by members of a nationwide sample of 11,500 households and published by the Newspaper Advertising Bureau.

Findings show the seasonal pattern in purchases and the distribution of purchases by price.

Average Purchase Rate in Units For Men's Furnishings
(Per 1,000 Households)

	Shirts/ Sweaters	Underwear	Socks/ Hosiery	Pajamas/ Robes
Average month	660.5	632.6	624.2	31.2
January	410.7	507.6	418.8	27.8
February	399.8	376.5	361.6	20.5
March	502.0	608.6	495.2	13.9
April	416.4	420.5	400.3	17.2
May	470.9	361.5	357.7	16.9
June	817.5	739.5	569.8	28.2
July	583.1	554.0	523.0	17.8
August	595.9	708.0	668.2	9.4
September	533.7	540.5	604.4	18.3
October	608.0	531.4	511.0	30.9
November	776.9	640.5	763.8	49.6
December	1,810.8	1,603.1	1,812.3	124.0

Source: MRCA Information Services: 1987 Newspaper Advertising Planbook
(Newspaper Advertising Bureau)

CONSUMER BUYING HABITS

Percent of Men's Dress Shirt Purchases (Units) By Price, 1984

	Dress Shirts
Under $10	39.3%
$10.00 - $19.99	50.5
$20.00 - $29.99	8.8
$30.00 - $39.99	1.2
$40.00 & over	0.2

Source: MRCA Information Services, 1984
1987 Newspaper Advertising Planbook
Newspaper Advertising Bureau

Estimates on the retail market for specified segments of the men's furnishings industry have been developed by the Soft Goods Information Service, MRCA Information Services, based on purchase diaries maintained by a nationally representative sample of 11,500 households. Purchases of men's dress shirts in 1986 were projected to a national total of $2 billion down 2.6% from 1985. Purchases of men's underwear also declined in 1986, falling 2.0% to $1,549 billion, based on the panel data.

	1986 Projected Purchase				Percent Change			
	Dollars		Units		Dollars		Units	
	millions	%	millions	%	1986/85	1985/84	1986/85	1985/84
Men's apparel, total	$27,027	100.0%	2,941	100.0%	+ 2.4%	+ 1.5%	+ 4.2%	+ 0.6%
Dress shirts	2,176	8.1	170	5.8	+ 2.6	+ 8.5	- 2.7	+ 7.7
Underwear	1,549	5.7	645	21.9	- 2.0	+ 2.5	+ 0.6	- 1.8
Socks	995	3.7	683	23.2	+ 0.2	+ 4.7	+ 2.2	+ 3.6
Pajamas	277	1.0	25	0.9	- 3.9	+10.3	- 2.7	+ 3.4
Robes	138	0.5	7	0.2	- 7.3	+ 0.6	- 0.4	- 1.6

Source: Softgoods Information Services
MRCA Information Services
SGIS Reports (April 1986)

MEN'S WORK WEAR & CAREER APPAREL UNIFORMS

WORK WEAR TRENDS

Narrowly defined, work wear represented in the retail utility market includes nonuniform apparel purchased by employees for use in the work place. Two major developments have been at work in recent years to broaden this concept: first, the continuing drop in the industrial and agricultural market base which was the mainstay of the industry, offset somewhat by a second development--growing demand for work wear from non-occupational wearers. The latter market has been expanded by the development of new fabrications and styles offering comfort and durability, as well as elements of fashion welcomed by both occupational and non-occupational wearers. Younger industrial workers and farmers can no longer be counted on to buy overalls for their working day attire.

Jeans became the quintessential work wear item, available in comfort sizes, to fit the needs of workers on the job and at home, as well as for general knock about and leisure wear. It is the number one seller in the work wear classification. Worn with a flannel shirt is the preferred work wear for farmers and laborers.

A market survey by Red Kap, Blue Bell's occupational apparel arm, in 1984 indicated the total market for retail utility wear (men's and women's) amounted to $4.1 billion, with occupational apparel representing more than half of the total ($2.2 billion). The current total market is estimated at about $5.0 billion and occupational apparel's share has grown.

CAREER APPAREL/UNIFORM TRENDS

Career apparel and uniforms is one of the fastest growing segments of the apparel industry. The continued shift in the economy is opening up a vast demand for washable uniforms in health care facilities, personal care services, fast food chains and other food preparation and service operations. Manufacturers in the work wear industry are seizing this growing opportunity to fill the gap in their customer base lost in the industrial/agricultural sphere. New untapped markets are continually opening up, not only for the work wear industry, but for manufacturers of tailored wear who are supplying a growing demand for uniforms and related wear.

Uniforms are being used by corporations to give their employees, and companies an image. It also helps to build customer recognition and loyalty. Their use has gone well beyound police, fireman, postal workers to employees of banks, airlines, fitness centers, hotels, etc.

For washable uniforms and service apparel, laundry rental companies have historically been the major channel of distribution to large users. As the demand for custom looks requiring a great variety of new fabrics, styles and colors has mushroomed. However, the large producers of career apparel now have big corporate accounts which they sell directly to as well as industrial laundry programs which control the rental market. The latter made up almost the entire career apparel market in the 1970's, now it is estimated that direct sales to users have more than a 20% share of the market. As imports are reported to be less a factor in the career apparel market than in other areas, domestic mills are working closely with manufacturers to meet the developing needs of this market, and give the variety and quick changes required.

CAREER APPAREL/UNIFORM TRENDS

Newer companies in the career apparel field are attempting to establish retail accounts, selling directly to large operators of businesses which supply uniforms to employees. While direct selling is growing, rental laundry business is estimated at about $3.0 billion in annual volume.

In addition to the service wear segment, the career wear industry is meeting new challenges to supply the demand for specialized protective wear in high tech and danger zone industries. This has been an area of growth that is expected to continue.

AT THE MANUFACTURER LEVEL

WORK WEAR: GENERAL INDUSTRY STATISTICS

Work wear is a defined industry classification covered in Census Bureau reports, including the complete Census of Manufactures (compiled every five years) and the Annual Surveys of Manufactures taken to provide key measures of manufacturing activity during intercensal period. This industry does not, however, include tailored uniforms and such related tailored items as overcoats, outerwear, jackets or uniform shirts. Tailored uniforms are part of men's tailored wear coverage, and not reported as a separate industry.

Industry shipments, which includes all products made by manufacturers classified in the work wear industry, plus miscellaneous receipts from contract work, etc., were valued at $5.1 billion in 1985, the latest year for which figures are available. This was slightly below the 1984 total, but 9.1% higher than in 1982, on a current dollar basis, which is not adjusted for inflation. Employment in the industry in 1985 was below the level reported in 1984 and 1982.

On a constant dollar basis, eliminating the effects of inflation, the International Trade Administration (U.S. Department of Commerce) has estimated that work wear industry shipments in 1986 gained 2.9% compared with 1985. In terms of current dollars, the gain was estimated at 3.4% in a preliminary report.

Work Wear (SIC 2328*)

	1985	1984	1982	% Change 1985/82
Number of companies	na	na	305	--
Number of establishments, total**	na	504	554	--
Number with 20 or more employees	na	444	461	--
Employees, total (thous.)	84.7	89.6	91.0	- 6.9%
Production workers (thous.)	75.8	78.1	79.6	- 4.8
Payroll (mil. $)	$ 883.9	$ 894.3	$ 838.7	+ 5.4
Value added by manufacture# (mil. $)	2,822.4	2,823.8	2,399.2	+ 17.6
Value of industry shipments## (mil. $)	5,086.0	5,130.3	4,661.2	+ 9.1
Capital expenditures, new (mil. $)	55.3	60.3	58.1	- 4.8
Machinery and equipment (mil. $)	na	na	41.1	--

na not available

(footnotes continued)

(footnotes from preceding table)

* SIC 2328 comprises establishments primarily engaged in manufacturing men's, youths' and boys' work shirts, pants, jeans, other work clothing and washable service apparel. Tailored career apparel is not included, as they are primarily produced in the tailored clothing industry. For 1982 the 554 establishments (plants) in the industry included 279 manufacturers, 45 jobbers, 97 independent contractors and 133 multiplant company contractors.

** Covers manufacturing establishments only, and each location is separately counted. Not included are separate auxiliary locations serving the plants (i.e. administrative offices, purchasing offices, sales promotion offices, etc.) Information on establishments in 1984 is from the Census Bureau's County Business Patterns.

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

Value of shipments includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary products and secondary products made by manufacturers in these industries. The values of primary products (men's work clothing) alone, of these industries, plus the value of shipments by manufacturers classified in other industries who make suits, etc., as secondary products, are shown on page 42. Value figures are in current dollars, not adjusted for inflation.

Source: U.S. Bureau of the Census,
1982 Census of Manufactures;
1985, 1984 Annual Survey of Manufactures

Industry Concentration

Consolidations and restructuring has been underway in all segments of the apparel industry as a result of competitive pressure from imports pouring into the U.S. from the Far Eastern producers with very low labor costs, and companies classified in the work clothing industry are not exceptions, even though many items of occupational work wear are predominantly U.S. made. Last year, the VF Corporation become the nation's largest publicly held apparel company and the leading jeans producer when it acquired Blue Bell (a Major manufacturer of work jeans in its Red Kap division). VF's share of the domestic market for all types of jeans has been placed at 24% after the acquisition, and it replaced the leader, Levi Strauss, whose share has been placed at 22%.

According to the latest Census Bureau data, the four largest companies classified in the Men's Work Wear Industry (SIC 2328) accounted for half of the industry shipments in 1982, up from 38% ten years earlier.

WORK WEAR: GENERAL INDUSTRY STATISTICS

Industry Concentration

Share of Value of Industry Shipments Accounted For By the Largest Companies

Industry	No. of Companies	Total (mil. $)	Value of Industry Shipments* % accounted for by largest companies: 4 largest	8 largest	20 largest	50 largest
Men's & boys' work clothing						
1982	305	$4,661.2	50	59	73	88
1977	347	3,641.9	49	60	73	86
1972	297	1,738.0	38	53	70	84

* For an explanation of terms, see page 5

Source: U.S. Bureau of the Census:
1982 Census of Manufactures
Concentration Ratios in Manufacturing (MC82-S-7)

Work wear companies operating more than one plant (37% of the companies) owned 65.5% of the plants, had 83.3% of industry employment and accounted for almost 92% of industry shipments in 1982.

Single & Multiunit Companies' Share of Shipments, 1982

	Companies	Plants No.	%	Employees Thous.	%	Value of Industry Shipments Thous. $	%
Men's & boys' work wear	305	554	100.0%	91.0	100.0%	$4,661.2	100.0%
Multiunit companies	114	363	65.5	75.8	83.3	4,272.8	91.7
Singleunit companies	191	191	34.5	15.2	16.7	388.4	8.3

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
Type of Organization (Subject Series MC82-S-5)

Employment & Earnings

By 1984, according to the Census Bureau County Business Patterns report, the number of work wear plants with 500 or more employees increased to 37 from 33 in 1982, but overall the number of plants showed a slight decline, from 509 to 504.

WORK WEAR: GENERAL INDUSTRY STATISTICS

Work Wear Industry Plants by Employment Size Class

		Employment Size Class				
Year: 1984	Total	Under 100	100-249	250-499	500-999	1,000 or More
No. of plants	504	206	178	83	33	4
Total employees	95,629	9,635	30,045	29,129	21,399	5,421
Annual payroll (thous. $)	$934,493	103,433	270,913	270,585	230,643	58,921
Year: 1982						
No. of plants	509	200	185	91	31	2
Total employees	94,649	nr	31,360	30,907	20,314	nr
Annual payroll (thous. $)	$857,546	nr	263,637	267,511	204,067	nr

nr not reported

Source: U.S. Bureau of the Census:
1984, 1982 County Business Patterns

The Bureau of Labor Statistics, U.S. Department of Labor, compiles current information on employment and payroll levels by industry in the U.S. The methodology followed by the BLS differs somewhat from that used by the Census Bureau, and slight differences will therefore be apparent in figures issued by the two sources.

Employment & Earnings in the Work Wear Industry: 1984-1986
(Employment figures are in thousands)

	Annual Averages			% Change
	1986	1985	1984	1986/84
Employment, total	98.6	97.3	97.6	+ 1.0%
Production workers	86.4	84.6	82.9	+ 4.2
Average weekly earnings	$ 197.65	$ 196.79	$ 189.62	+ 4.2
Average hourly earnings	5.46	5.29	5.07	+ 7.7
Average weekly hours	36.2	37.2	37.4	- 3.2

Source: U.S. Bureau of Labor Statistics

Industry Location

Manufacturers classified in the men's and boys' work wear industry (SIC 2328) are concentrated in the South. Five southern states accounted for over 60% of total industry employment and 59% of the value added by manufacture in 1982.

WORK WEAR: GENERAL INDUSTRY STATISTICS

Industry Location

Industry Statistics For Leading States, 1982

	All Plants		Employees		Value added By Manufacture	
	Total	With 20+ Employees	No. (thous.)	% of Total	Mil. $	% of Total
Men's & boys' work clothing, U.S. total	554	461	91.0	100.0%	$2,339.2	100.0%
Leading states:						
Five state total	259	238	55.6	61.1	1,381.0	59.1
Texas	64	55	16.2	17.8	437.9	18.7
Tennessee	63	59	13.8	15.2	437.0	18.7
Georgia	53	49	10.2	11.2	257.4	11.0
Mississippi	42	41	9.6	10.5	130.0	5.6
Kentucky	37	34	5.8	6.4	118.7	5.1

Source: U.S. Bureau of the Census:
1982 Census of Manufactures

WORK WEAR & CAREER WEAR: PRODUCTION & SHIPMENTS

Current estimates on production and shipments of major items of apparel are compiled by the Census Bureau through surveys of all but very small producers, and published in the Current Industrial Reports series. Included in the CIR figures are imports covered in the 807 category of the U.S. Tariff Schedule.

Preliminary reports for the year 1986 indicate a drop in production of work shirts, jeans and dungarees, while cuttings of work pants and waistband overalls by U.S. manufacturers registered a gain. (The preliminary figures are subject to considerable revision). Production of washable service apparel, not covered in preliminary Census Bureau data, is expected to show a gain in 1986.

Tailored career wear (uniforms) is produced in the men's tailored clothing industry and separate industry figures on this component are not available. Some information is made available by the Census Bureau on production and shipments in the Current Industrial Reports. However, the classification includes military uniforms and this limits their value in evaluating the tailored career wear industry.

WORK WEAR & CAREER WEAR: PRODUCTION & SHIPMENTS

Production by U.S. Manufacturers: 1982 - 1985
(Men's only except where noted - Numbers in thousands)

		1985	1984	1982	% Change 1985/82
Work Wear					
Jeans & dungarees	Units:	151,503	143,461	139,152	+ 8.9%
Work pants, & waistband overalls	Dozens:	3,412	3,792	3,776	- 9.6
Coveralls, overalls, jumpsuits	Dozens:	1,384	1,465	1,220	+13.4
Overall & work-type jackets (men's & boys)	Dozens:	225	198	186	+21.0
Work shirts (men's, boys')	Dozens:	3,441	3,629	2,978	+15.5
Career Wear					
Washable service apparel*	Dozens:	1,159	1,177	1,257	- 7.8
Tailored wear:					
Uniform suits**	Units:	117	152	232	-49.6
Uniform coats, jackets**	Units:	1,364	1,233	1,247	+ 9.4
Uniform topcoats**	Units:	277	238	305	- 9.2
Uniform shirts**	Dozens:	724	881	1,065	-32.0
Uniform trousers**	Units:	5,589	5,394	5,599	- 0.2
Uniform outerwear**	Dozens:	171	148	nr	--

* Includes nontailored washable work apparel designed for use by waiters, gas station attendants, hospital staff, and other uniformed service workers

**Includes military, guards, band, police, fire, etc.

Source: U.S. Bureau of the Census: *Current Industrial Reports*, (Series MA23E)

Value of Materials Consumed in the Production of Work Wear, 1977, 1982

	Delivered Cost (Mil. $)		
	1982	1977	% Change 1982/1977
Work wear (SIC 2328*):			
Broad woven fabrics	$1,285.0	$1,194.5	+ 7.5%
Purchased knitted fabrics	79.0	23.8	+231.9
All other materials, containers & supplies	366.7	390.1	- 1.6

* SIC codes, see page 36

Source: U.S. Bureau of the Census: *1982 Census of Manufactures: Industry Series*

WORK WEAR & CAREER WEAR: PRODUCTION & SHIPMENTS

Seasonality in Production

The pattern in activity in U.S. plants cutting men's work pants and shirts is reported by the Census Bureau in monthly reports. Figures for 1986, which are subject to revision, showed a marked change in the pattern for work pants when compared with 1985, with greater emphasis on the early months of the year.

Percent of Cuttings Done by Month of Selected Types of Men's Work Wear 1985, 1986

	Men's Work Pants		Men's Work Shirts	
	1986(p)	1985	1986(p)	1985
Total	100.0%	100.0%	100.0%	100.0%
January	8.3	6.7	9.9	9.1
February	8.0	6.1	8.7	8.9
March	9.9	5.9	9.5	9.1
April	10.2	5.5	10.0	9.2
May	9.4	7.3	9.1	7.8
June	8.5	8.6	8.5	8.1
July	8.3	8.5	7.4	6.6
August	8.6	10.0	8.5	9.5
September	9.0	9.4	8.4	7.9
October	7.6	12.3	7.8	9.0
November	5.9	11.0	5.6	7.8
December	6.2	8.7	6.6	7.0

(p) preliminary

Source: Based on U.S. Bureau of the Census,
Current Industrial Reports,
Men's & Boys' Outerwear, MA-231(86)-12

Plant Capacity Utilization

In the fourth quarter of 1985, men's and boys' work wear producers in the U.S. operated at 90% of the industry's preferred rate, compared with an operating rate of 87% of the preferred level in the fourth quarter of 1984. (The preferred level is defined as the level normally between actual operations and practical capacity, which the manufacturer would prefer not to exceed due to cost or other considerations). The following figures represent the ratio of actual utilization to the preferred level of operations.

Work Wear Industry Capacity Utilization Rates: Fourth Quarters 1982-1985

1985	1984	1983	1982
90	87	80	80

Source: U.S. Bureau of the Census
Current Industrial Reports
Survey of Plant Capacity, 1985 MC-CI(85)1

WORK WEAR & CAREER WEAR: PRODUCTION & SHIPMENTS

The value of shipments of work wear, including all producers regardless of manufacturers' SIC industry classification based on primary product, registered a real gain (measured in a constant 1982 dollar) of 3.3% last year, up from a real gain of 1.9% in 1985 over 1984, according to the International Trade Administration (Department of Commerce).

Based on a survey of all manufacturers, contractors and jobbers except very small firms, the Census Bureau compiles monthly estimates and annual revised data on the value of shipments in current dollars for work wear, but not for career apparel, except for washable service apparel.

The value of reported types of work wear shipped in 1985 reached about $2.6 billion, almost 12% higher than in 1982 on a current dollar basis.

Value of Shipments by U.S. Manufacturers: 1982-1985
(Men's only, except where noted
Value in millions of dollars)

	1985	1984	1982	% Change 1985/82
Work Wear				
Total, reported categories	$2,570.4	$2,568.8	$2,302.2	+ 11.6%
Jeans & dungarees	1,685.2	1,605.0	1,443.4	+ 16.7
Work pants & waistband coveralls	345.1	388.9	365.0	- 5.4
Coveralls, overalls, jumpsuits	197.2	212.2	214.2	- 7.9
Overall & work-type jackets (men's, boys')	38.7	34.4	36.2	- 6.9
Work shirts (men's, boys')	304.2	328.3	243.4	+ 25.0
Career Wear				
Total, reported categories	102.4	108.5	101.5	+ 0.9
Washable service apparel	102.4	108.5	101.5	+ 0.9
Tailored wear	nr	nr	nr	--

nr not reported

Source: U.S. Bureau of the Census:
Current Industrial Reports,
(Series MA-23E)

In a preliminary report for 1986, the International Trade Administration estimated the value of work wear shipments in current dollars registered a 3.8% gain over 1985, and a 3.3% gain in constant dollars.

WORK WEAR & CAREER WEAR: PRODUCTION & SHIPMENTS

Work Gloves, Mittens

Quantity & Value of Shipments of Work Gloves & Mittens, 1984, 1985
(Quantity in 1,000 dozen pairs; value in million dollars)

	Quantity		% Change	Value		% Change
	1985	1984	1985/84	1985	1984	1985/84
Work gloves & mittens, total	19,920	20,980	- 5.1%	$287.7	$308.8	- 6.8%
All fabric	17,825	18,574	- 4.0	168.0	174.7	- 3.8
Single-canton flannel	3,763	3,667	+ 2.6	na	na	--
Double-canton flannel	3,619	3,646	- 0.7	na	na	--
Fleeced-cotton jersey	3,082	3,215	- 4.1	na	na	--
Circular-knit cotton	5,037	4,915	+ 2.5	na	na	--
Coated & partially-coated fabrics	1,736	2,320	-25.2	na	na	--
All other fabrics	588	775	-24.1	na	na	--
Leather & fabric combination	561	629	-10.8	26.2	29.3	-10.6
All leather work gloves	1,534	1,777	-13.7	93.5	104.8	-10.8
All grain, exc. welders	859	934	- 8.0	na	na	--
All split, exc. welders	464	605	-23.3	na	na	--
Leather, exc. all grain & all split, incl. welders	211	238	-11.3	na	na	--

na not available

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Gloves and Mittens, MA-23D(85)-1

Leading States

As noted in the industry information, manufacturers classified in the Work Wear Industry (SIC 2328) are concentrated in five Southern states. The following table shows the concentration of the value of shipments of specified work wear by all producers in these states, according to the complete Census of Manufactures.

Value of Shipments of Specified Men's & Boys' Work Wear (All Producers)
By Leading States: 1977, 1982
(Millions of dollars)

	1982	1977	% Change 1982/77
Work shirts, U.S. total	$ 242.5	$ 191.6	+ 26.6
Leading states:			
Tennessee	76.7	44.1	+ 73.9
Mississippi	58.3	42.8	+ 36.2
Texas	18.9	8.0	+136.3
Georgia	11.1	15.7	- 29.3
Kentucky	9.1	na	--

(continued)

WORK WEAR & CAREER WEAR: PRODUCTION & SHIPMENTS

Leading States

Value of Shipments of Specified Men's & Boys' Work Wear (All Producers) By Leading States: 1977, 1982

(Millions of dollars)
(continued)

	1982	1977	% Change 1982/77
Jeans, incl. jean-cut casual slacks,			
U.S. total	$2,543.9	$ 1,962.8	+ 29.6%
Leading states:			
Texas	580.8	396.1	+ 46.6
Tennessee	458.1	342.5	+ 33.8
Georgia	219.8	181.6	+ 21.0
California	150.1	na	--
Mississippi	138.3	130.5	+ 6.0
Work clothing & washable service apparel			
U.S. total	$ 767.0	$ 729.6	+ 5.1
Leading states:			
Georgia	114.3	48.2	+137.1
Tennessee	111.1	129.5	- 14.2
Texas	99.3	127.1	- 21.9
Kentucky	87.1	82.2	+ 6.0
Mississippi	74.6	44.5	+ 67.6
Commission work on work clothing,			
U.S. total	375.9	411.2	- 8.6
Leading states:			
Tennessee	53.1	50.8	+ 4.5
Alabama	47.0	35.9	+ 30.9
Missouri	41.5	24.6	+ 68.7
Texas	36.4	59.6	- 38.9
Georgia	32.0	26.6	+ 20.3

Source: U.S. Bureau of the Census
1982 Census of Manufactures
Industry Series

Concentration of Shipments

Of the total value of shipments of work shirts by all producers in 1982, the four largest companies accounted for 41%, up from 36% in 1977. Concentration is much greater in the jeans segment. Over two-thirds of the value of shipments in 1982 were controlled by the top four producers. As previously noted, this industry has become even more concentrated with the merger of VF and Blue Bell.

Share of Specified Men's & Boys' Work Wear Product Shipments By the Largest U.S. Manufactures, 1982

	Product Shipments (Mil. $)	% of value accounted for by the largest companies			
		Top 4	Top 8	Top 20	Top 50
Work shirts					
1982	$ 242.5	41%	64%	86%	100%
1977	191.6	36	52	78	99

(continued)

Concentration of Shipments (continued)

Share of Specified Men's & Boys' Work Wear Product Shipments By the Largest U.S. Manufactures, 1982
(continued)

	Product Shipments (Mil. $)	% of value accounted for by the largest companies			
		Top 4	Top 8	Top 20	Top 50
Jeans, incl. jean-cut casual slacks					
1982	$2,543.9	67%	76%	88%	97%
1977	1,962.8	63	74	87	97
Work clothing & washable service apparel					
1982	767.0	28	45	72	94
1977	729.6	35	50	74	93

Source: U.S. Bureau of the Census:
1982 Census of Manufactures
Concentration Ratios in Manufacturing

PRODUCER PRICE TRENDS

According to the U.S. Bureau of Labor Statistics, the only measured category of producer (factory) prices to show a decline in 1985 was men's washable service apparel. The largest gain was recorded by denim jeans and jean cut casual slacks which showed an increase of 1.8% for the year.

Between January 1986 and 1987 producer prices for men's and boys' work shirts were off 0.2% while prices at the factory for men's work pants declined 0.1%.

Producer Price Indexes of Specified Work Wear
(Men's only, unless specified; 12/81 = 100 unless specified)

	Jan. Average		% Change	Annual Average		% Change
	1987	1986	1987/86	1986	1985	1986/85
Denim jeans & jean cut casual slacks	106.3	106.3	--	106.4	104.5	+ 1.8%
One piece work suits	104.5	103.9	+ 0.6%	104.6	103.3	+ 1.3
Washable service apparel	102.2	102.1	+ 0.1	102.2	102.4	- 0.2
Dungarees & overalls (12/77=100)	152.4	151.5	+ 0.6	151.8	150.7	+ 0.7
Work pants (1967=100)	253.3	253.5	- 0.1	253.3	250.5	+ 1.1
Work shirts (men's & boys') (6/83=100)	104.9	105.1	- 0.2	105.1	104.9	+ 0.2
Other work clothing (6/83=100)	107.4	106.6	+ 0.8	107.1	105.6	+ 1.4

Source: Bureau of Labor Statistics

FOREIGN TRADE

Imports have not had as an adverse affect on the work wear industry as they have on other areas of apparel. The International Trade Administration estimates that in 1985 imports accounted for slightly less than 20% of all work wear shipments.

Preliminary data on 1986 imports of men's & boys' work wear is summarized below.

Quantity & Value of Imports of Men's & Boys' Work Wear: 1986

	Quantity (Thous. Doz.)	C.I.F. Value (Thous. $)
Work shirts	108.2	$5,180.3
Knit	56.8	2,709.1
Cotton	54.6	2,578.7
Manmade	2.2	130.4
Not knit	51.4	2,471.2
Cotton	20.2	1,035.2
Manmade	31.2	1,436.0
Coveralls & overalls	125.2	18,007.9
Manmade	2.8	773.0
Cotton	122.4	17,234.9

* The C.I.F. value represents the value of imports at the first port of entry in the U.S. It is based on the purchase price and includes all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Bureau of the Census,
U.S. General Imports, IM 146
Dec. 1986

AT THE RETAIL LEVEL

THE POTENTIAL MARKET

The Bureau of Labor Statistics has compiled projections on employment in the U.S. covering the outlook through 1995, covering three series, based on low, moderate and high macroeconomic assumptions. The moderate series looks for total employment to reach 123 million in 1995, 16 million more than in 1984. Almost 9 out of every 10 of these new jobs will be added in a service producing industry (transportation, communications, public utilities, trade, finance, insurance, real estate, miscellaneous services and government); the remainder in goods producing jobs (manufacturing, construction, mining and agriculture).

With the future growth of the economy centered on service producing occupations where career/work wear tends to be the norm, the outlook for career apparel is bright. The career uniform market is also benefitting from the growing number of businesses which wish to establish their own identity with their employees and customers.

Growth in the potential market among employees in occupations clearly requiring work/career wear, of offering a potential for their use, will be noted in the following table.

Male* Employment By Occupation: 1983, 1986
(Numbers in thousands)

	1986	1983	% Change 1986/83
WORK WEAR RELATED OCCUPATIONS, TOTAL	32,595	30,250	+ 7.7%
Mechanics & repairers, except supervisors	3,994	3,796	+ 5.2
Vehicle & mobile equipment	1,769	1,669	+ 6.0
Industrial machinery repairers	527	517	+ 1.9
Electrical & electronic machine repairers	646	624	+ 3.5
Miscellaneous mechanics & repairers	758	760	- 0.3
Construction trades	4,825	4,212	+ 14.5
Supervisors	605	497	+ 21.7
Construction trades, except supervisors	4,219	3,712	+ 13.7
Extractive occupations	68	62	+ 9.7
Precision production occupations	3,039	2,893	+ 5.0
Operators, fabricators & laborers	12,801	11,811	+ 8.4
Machine operators, assemblers & inspectors	4,723	4,485	+ 5.3
Transportation & material moving occupations	4,158	3,873	+ 7.4
Motor vehicle operators	3,015	2,704	+ 11.5
Heavy truck drivers	1,767	1,734	+ 1.9
Transportation occupations, exc. motor vehicles	199	207	- 3.8
Material moving equipment operators	946	962	- 1.7
Handlers, equipment cleaners, helpers & laborers	3,921	3,450	+ 13.6
Helpers, construction & extractive occupations	169	145	+ 16.6
Farming, forestry & fishing	2,896	3,108	- 6.8
Farm operators & managers	1,148	1,275	- 10.0
Other agricultural & related occupations	1,570	1,660	- 5.4
Related agricultural occupations	808	739	+ 9.4
Forestry & logging occupations	107	124	- 13.7
Fishers, hunters & trappers	70	51	+ 37.2
CAREER/SERVICE APPAREL RELATED OCCUPATIONS, TOTAL	8,688	8,321	+ 4.4
Health care related	1,466	1,439	+ 1.9
Natural scientists	298	283	+ 5.3
Chemists, exc. biochemists	95	75	+ 26.7
Geologists & geodesists	42	53	- 20.7
Biological and life scientists	41	33	+ 24.2
Health diagnosing occupations	619	637	- 2.8
Physicians	403	437	- 7.8
Dentists	126	118	+ 6.8
Health assessment & treating occupations	298	270	+ 10.4
Registered nurses	85	58	+ 46.6
Pharmacists	111	115	- 3.5
Dietitians	5	7	- 28.6
Therapists	66	59	+ 11.9

(continued)

Male* Employment By Occupation: 1983, 1986
(Numbers in thousands)
(continued)

	1986	1983	% Change 1986/83
Health technologists and technicians	67	61	+ 9.8%
Dental hygienists	1	1	--
Radiological technicians	37	29	+ 27.6
Licensed practical nurses	10	13	- 23.1
Health service occupations	184	188	- 2.1
Dental assistants	2	3	- 33.3
Health aides, except nursing	59	42	+ 40.4
Nursing aides, orderlies and attendants	123	143	- 14.0
Technical and laboratory related	378	338	+ 11.8
Science technicians	150	143	+ 4.9
Biological technicians	35	32	+ 9.4
Chemical technicians	60	60	--
Precision workers	228	195	+ 16.9
Optical goods workers	26	33	- 21.2
Dental laboratory and medical appliance workers	33	29	+ 13.8
Electrical & electronic equipment assemblers	102	63	+ 61.9
Food handling/production	2,214	2,088	+ 6.0
Food preparation and service occupations	1,907	1,784	+ 6.9
Supervisors	88	87	+ 1.1
Bartenders	165	174	- 5.2
Waiters & waitresses	209	166	+ 25.9
Cooks, exc. short order	722	669	+ 7.9
Short order cooks	70	57	+ 22.8
Food counter, fountain and related occupations	73	78	+ 6.4
Kitchen workers, food preparation	30	32	- 6.3
Waiters and waitresses assistants	202	223	- 9.4
Miscellaneous food preparation	299	297	+ 0.7
Precision food production occupations	307	304	+ 1.0
Butchers & meat cutters	224	233	- 3.9
Bakers	67	58	+ 15.5

(continued)

Male* Employment By Occupation: 1983, 1986
(Numbers in thousands)
(continued)

	1986	1983	% Change 1986/83
Personal service occupations	403	389	+ 3.6%
Barbers	77	80	- 3.8
Hair dressers & cosmetologists	81	70	+ 15.7
Attendants, amusement and recreation facilities	69	78	- 11.5
Public transportation attendants	16	16	--
Welfare service aides	7	6	+ 16.7
Child care workers	27	20	+ 35.0
Cleaning and service occupations	1,699	1,696	+ 0.2
Supervisors (building)	97	76	+ 27.6
Maids and housemen (building)	89	100	- 11.0
Cleaners and servants (private household)	25	22	+ 13.6
Protective service	1,565	1,458	+ 7.3
Supervisors	155	121	+ 28.1
Firefighting & fire prevention	213	187	+ 13.9
Police & detectives	593	584	+ 1.5
Guards	605	565	+ 7.1
Mail and message distributing occupations	592	547	+ 8.2
Postal clerks, except mail carriers	169	157	+ 7.6
Mail carriers, postal service	236	214	+ 10.3
Mail clerks, exc. postal service	86	85	+ 1.2
Messengers	102	90	+ 13.3
Other occupations:			
Bus drivers	206	199	+ 3.5
Airplane pilots & navigators	78	68	+ 14.7
Hotel clerks	21	20	+ 5.0
Transportation ticket and reservation agents	26	35	+ 25.7
Bank tellers	40	43	- 7.0

* 16 years or older

Source: Bureau of Labor Statistics
Employment & Earnings

RETAIL SALES

Career apparel and uniforms are distributed by manufacturers primarily through rental supply companies and are also sold directly to larger users, a development which appears to be growing in importance.

The total retail market was estimated at $4.1 billion by Red Kap in 1984, of which occupational apparel accounted for $2.2 billion.

For the individual purchaser of work wear, mass merchandisers and discounters have the largest share of purchasers followed by smaller specialty stores such as family clothing stores outside of major urban centers. Catalog sellers are growing in importance as the work wear market has expanded to include non-occupational wearers.

A newer development is the growth of farm/fleet stores. These are very large stores in rural areas which carry everything from work wear to farm equipment, and their customers are farmers and truckers who wear functional work wear on the job. Two major operators of these stores in the Midwest are Blain Farm & Fleet and Mills Farm & Fleet.

Limited official information on work wear sales is available from the Census Bureau, based on the 1982 Census of Retail Trade that covers work wear sales in three outlet types as noted below. Department stores have generally dropped work clothing in the past 10 or 15 years, and sales credited to this store type are handled by discount department stores and mass merchandisers that include Sears Roebuck stores which meet the department store definition.

Reported Sales of Men's Work Wear By Outlet Type: 1982

	Establishments**		Sales by Outlet Type	
	Number	Percent	Thous. $	Percent
Men's work wear reported total	11,495	100.0%	$550,106	100.0%
Department stores*	4,819	41.9	269,447	49.0
Men's & boys' wear stores	2,269	19.7	171,480	31.2
Family clothing stores	4,407	38.3	109,179	19.8

* Each business location is counted as a separate establishment (store), including each unit in a multiunit retail operation. Only stores with payroll are included.

** According to a count reported by the Census Bureau for the first time in this census, discounters, mass merchandisers and national chain outlets accounted for 76% of the stores classified as department stores and they had a 68% share of sales. No data was released on merchandise line sales of these store types, but they represent almost all of the work wear sales attributed to "department stores".

Source: U.S. Bureau of the Census:
1982 Census of Retail Trade,
Merchandise Line Sales (RC82-1-3)

CONSUMER BUYING HABITS

A survey of Blue Bell's Red Kap division in 1984 indicated that there were 17.7 million wearers of retail utility apparel, and it was estimated that the market would reach 21.1 million men and women by 1995. The survey covered a nationwide representative sample of 20,000 households and covered work wear purchased at retail, and not including career wear/uniforms.

It was noted that 29% of the males wore retail utility wear to work (2% of the females). Of the men, 10% were farmers and 71% blue collar workers. By job type, 12% were in agriculture or agri-business, 20% in construction, 36% in manufacturing.

Focus groups indicated in a survey that whether for occupational or non-occupational use, consumers wanted work wear that has elements of style and ample amounts of durability, comfort, value and functionality. Consumers generally no longer viewed this type of work wear as purely basic.

In the occupational sector according to the Red Kap study, work jeans and dungarees held a 24% market share, followed by work shirts (21%), work pants (16%), flannel work shirts (11%), coveralls (10%), coats and jackets (8%), overalls (4%), other (6%). Work jeans/dungarees also dominated the non-occupational sector, with 28% of the market. Work shirts held a 16% share; work pants, 13%; flannel work shirts and coats/jackets, 11% each; overalls and other 5% of non-occupational work wear sales.

A companion survey of 150 work wear retailers was conducted by Blue Bell. According to their reports, 31% of sales were generated by work jeans. Following in importance were work sets (17%), coveralls (14%), overalls (13%), work coats and jackets (11%), and other (2%).

An important finding was that 52% of the retailers market regular blue jeans as work jeans, and it can be assumed that this is a growing development along with the increased use of jeans by younger workers. Retailers rated quality as the most important consideration in their work wear purchases, followed by quick delivery of at-once goods, on-time scheduled delivery, and value to the customer.

MRCA Information Services, an independent research company, tracks consumer purchases through purchase diaries which are maintained nationwide by U.S. households. Following are projected purchase figures covering men's work wear in 1986.

Purchases of Men's Work Wear By Type: 1986

	1986 Projected Purchase (Millions)		% Change			
			Dollars		Units	
	Dollars	Units	1986/85	1985/84	1986/85	1985/84
Reported total	$3,419.6	221.3	--	--	--	--
Work shirts	335.0	32.0	+12.0%	- 9.3%	+ 7.2%	- 7.0%
Work pants	232.6	16.8	- 7.5	+ 1.8	-10.9	+ 2.5
Jeans	2,708.9	165.6	+10.1	- 0.9	+ 6.3	- 2.5
Overalls	143.1	6.9	-15.5	+ 9.5	- 5.2	+ 3.5

Source: Softgoods Information Services Group of MRCA Information Services SGIS Reports (April 1986)

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS: Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS: An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are included as well as an analysis of developments that are shaping the U.S. consumer market -- living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1987 Edition): Updates information in the 1986 Edition on department and apparel specialty store sales (not including discount operation) for stores (buying headquarter locations) listed by state within the four major geographical regions of the U.S. Information on the number of stores in operation is included, as well as on plans to open stores, if available. Available data on sales of branch stores is included. Additional features include: An alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest available sales figures; a listing and sales figures for traditional department stores which have sales volumes published, or estimated, of $50 million or more in 1986; a list of conglomerates operating traditional department and apparel stores, including the names and locations of these stores.

DRESSES & CAREER APPAREL (WOMEN'S, MISSES' AND JUNIORS'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, career apparel, pants dresses, ensembles, etc. Includes number and size of manufacturers, production and value of shipments, industry location and trends in employment levels. Analyzed is the growing impact of imports on total growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc. to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS') (1987 Edition): Updates the 1986 edition with figures on U.S. manufacturers production and shipments by type of footwear. Also detailed statistics on imports and their impact on total U.S. market supply. Analyses industry trends and performance of major resources and retailers. Spotlights developments in the athletic footwear industry and consumer market. At the retail level, information is included on sales trends and merchandising results for shoe stores and for footwear departments in department stores; as well as consumer purchase patterns.

HOME TEXTILES & RELATED PRODUCTS: Includes the latest statistics on the U.S. industry, including manufacturers wide variety of products -- bed linens, towels, blankets, comforters, slip covers, pillows, curtains/draperies and hardware, shades, and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

HOSIERY/LEGWEAR/BODYWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

HOUSEHOLD APPLIANCES, ELECTRIC HOUSEWARES, HOME ENTERTAINMENT PRODUCTS: Covers a broad range of products included in these three classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

HOUSEHOLD FURNITURE AND BEDDING: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores. The potential market for work/career apparel is defined in data on trends in employment of men by occupation.

MEN'S SPORTSWEAR, CASUALWEAR, OUTERWEAR: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market. Departmental merchandising and operating results in department stores and in men's wear stores are covered.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade recently issued by the U.S. Census Bureau.

THE SPORTS/FITNESS/LEISURE MARKETS (A Fact File Special Edition): Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specific products; concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics on sports participation levels and purchases of specific sports equipment. Also buying habits in relation to activewear and sports equipment.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits.

A STATISTICAL ANALYSIS OF RETAILING (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Percentage distributions have been calculated for firms and outlet types, including single and multi-unit operations, sales concentration and geographical distribution, with comparisons with 1977 census findings where possible.

TABLETOP & GIFTWARES: Statistics included for these industries include those on both the manufacturing and retailing levels. There's coverage of production and shipments; foreign trade; retail sales; plus data on the consumer market including buying habits and expenditures.

THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures, foreign trade. Consumer expenditures by product are detailed, as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specific products.

WOMEN'S COATS, SUITS, RAINWEAR, AND FURS: Data from the domestic industry includes the number of manufacturers, industry concentration levels, trends in employment and earnings, production and value of shipments, including exports. Import trends and impact on U.S. market supply are analyzed. At the retail level, information includes consumer price trends, the size of the potential market and outlook for growth in terms of population by age group and employment trends among women. Also covers sales estimates and operating results in department and specialty store.

WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market are summarized.

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The Children's Market: Infants', Toddlers', Girls', Boys'

(Apparel, Playthings, & Related Products)

FAIRCHILD FACT FILE

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NOTE

In reporting on the many developments taking place in the children's market, this Fact File approaches the subject with three distinct sections. The first details the major demographic trends that are affecting the market, including birthrates, household income and school enrollment. The next two sections focus on the principal product categories-apparel and juvenile products/toys & dolls. Apparel covers girls', boys' and infants' wear, detailing developments at both the manufacturing and retail levels. The juvenile products section covers such essentials as cribs, strollers, and bedding. Manufacturing and retailing trends of toys and dolls cover playthings for infants and children, with more of an emphasis on products small children play with, such as plush toys.

DEMOGRAPHIC TRENDS

Births

American women had babies in 1986 at the lowest rate ever recorded. For every 1,000 women age 15 to 44, there were only about 65 births, a fertility rate 2% lower than in 1985. The number of births declined by 18,000 to reach 3,731,000. This reverses the annual increase noted in the number of births in the first half of 1980. The downward trend is expected to continue, and deepen as the large group of baby boom women, most of whom are now more than 30 years old, age beyond their prime childbearing years. The number of children in the population is now at the highest level to be reached for the foreseeable future.

However, nearly half the children born today are first children, as opposed to one in four in the baby boom years. In addition, more than half have working mothers, and many babies (an estimated 25%) are born into families below the poverty level, although a higher percentage than ever before are in two-income, affluent families. Typically, parents spend more for goods and services for their first child. With these favorable factors, and the assistance of doting grandparents, the market for a wide variety of children's products is expected to continue to grow. (Note: For detailed data on birth trends and other demographic trends, see the Fact File on CONSUMER MARKET DEVELOPMENTS.)

The U.S. Bureau of the Census has compiled a profile of 3,497,000 women who gave birth in the 12-month period ending June 1985, which is summarized below.

Characteristics of Women Age 18-44 Years Who Gave Birth
In 12 Months Ending June 1985

Total number (thousands)	3,497
Percent	100.0%
Age: 18 to 19 years	71.9
30 to 44 years	28.1
Marital status:	
Married, husband present	76.6
Married, husband absent	5.5
Single	13.8
Widowed, divorced	9.6
Labor force status:	
In labor force	48.4
Employed	41.1
Unemployed	7.3
Not in labor force	51.6
Occupation:	
Managerial/professional	9.9
Technical, sales, administrative support	18.5
Service workers	7.0
Other	5.7

(continued)

DEMOGRAPHIC TRENDS

Births (continued)

Characteristics of Women Age 18-44 Years Who Gave Birth In 12 Months Ending June 1985
(continued)

Family income:	
Under $10,000	23.4%
$10,000-$19,999	24.1
$20,000-$29,999	19.9
$30,000-$34,999	29.1
$35,000 & over	18.2
Not reported	3.5
Residence (region):	
Northeast	20.2
Midwest	22.8
South	34.3
West	22.7

Source: U.S. Bureau of the Census, Current Population Reports: Fertility of American Women: June 1985 (Series P-20, No. 406)

Population Projections

Census Bureau projections of the U.S. population are based on a series of assumptions as to future growth in fertility, mortality, and net immigration. The figures below represent the middle series and they have proven to be fairly close to actual population trends thus far.

The significant growth projected in the number of 8 to 14 year olds in 1994 over the present reflects the maturing of children born during the upturn in births in the early 1980's. Many of these children are the offspring of the baby boom generation. As the baby boom generation passes its peak child-bearing years, the number of children born in the 1990's should decline, reflected in the projected 4.2% decline in the number of infants under 1 year old in 1994 compared with 1987.

U.S. Population By Single Years of Age--Infants, Children, Youths Middle Series Projections*--1987, 1994
(Numbers in thousands)

	Total		% Change	Male		Female	
	1987	1994	1994/87	1987	1994	1987	1994
Youth, 16 years & younger, total	59,695	63,404	+ 6.2%	30,534	32,437	29,160	30,966
Under 5 years	18,866	18,823	- 0.2	9,656	9,635	9,209	9,188
Under 1 year	3,834	3,671	- 4.2	1,963	1,880	1,871	1,792
1 year	3,810	3,721	- 2.3	1,950	1,905	1,860	1,816
2 years	3,780	3,770	- 0.3	1,935	1,930	1,845	1,840
3 years	3,743	3,814	+ 1.9	1,916	1,952	1,827	1,862
4 years	3,699	3,847	+ 4.0	1,893	1,969	1,806	1,878

(continued)

Population Projections (continued)

U.S. Population By Single Years of Age-- Infants, Children, Youths Middle Series Projections*--1987, 1994

(Numbers in thousands)
(continued)

	Total		% Change	Male		Female	
	1987	1994	1994/87	1987	1994	1987	1994
5 to 9 years	17,511	19,281	+10.1	8,954	9,866	8,557	9,415
5 years	3,662	3,868	+ 5.6	1,873	1,979	1,789	1,888
6 years	3,616	3,874	+ 7.1	1,850	1,982	1,766	1,892
7 years	3,589	3,867	+ 7.7	1,834	1,979	1,755	1,888
8 years	3,387	3,849	+13.6	1,732	1,970	1,655	1,880
9 years	3,257	3,823	+17.4	1,665	1,956	1,592	1,867
10 to 14 years	16,139	18,552	+14.9	8,253	9,487	7,886	9,064
10 years	3,275	3,788	+15.7	1,675	1,938	1,600	1,850
11 years	3,172	3,746	+18.1	1,622	1,916	1,550	1,829
12 years	3,234	3,711	+14.7	1,655	1,898	1,579	1,814
13 years	3,166	3,666	+15.8	1,619	1,875	1,547	1,791
14 years	3,292	3,640	+10.6	1,682	1,860	1,610	1,780
15 & 16 years	7,179	6,748	- 6.0	3,671	3,449	3,508	3,299
15 years	3,413	3,439	+ 0.8	1,745	1,758	1,668	1,681
16 years	3,766	3,309	-12.1	1,926	1,691	1,840	1,618

*Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. Includes Armed Forces overseas.

Source: U. S. Bureau of the Census, Current Population Reports, Series P-25, No. 952 (May 1984)

Population By Region

The number of preteens is expected to decline, while the number of teenagers is expected to increase as the nation moves into the 1990's. Projections of the population by the Census Bureau show that the South and West will account for an increasing proportion of both the preteen and teen market in the 1990's at the expense of the Northwest and Midwest regions.

A Census Bureau report for 1984 shows the number of children under age 5 rose 18% in the West compared with 1980 in contrast with a 9% national growth rate. In the South, the increase was 11%; in the Northeast, 5%; in the Midwest, 2%. Alaska led all states with a 43% gain in the number of preschoolers, followed by Florida with a 26% gain. The only states that have lost preschoolers since 1980 were West Virginia, Michigan, Indiana, Kentucky, Iowa and Alabama.

The number of children 5-17 years old dropped 5% nationally. The West held even; there was a 3% drop in the South; 8% in the Midwest and 11% in the Northeast. States with the biggest declines were Connecticut, Massachusetts, Maryland, Michigan and Delaware. Big gainers were Utah, Alaska, Wyoming and Idaho. The following table shows the distribution of the youth population on a regional basis. The South has the biggest concentration of the young and this concentration is expected to intensify by the year 2000.

Population By Region (continued)

Resident Population By Region: July 1985

		Selected Age Groups		
	All Ages	Under 5 years	5 to 14 years	15 to 24 years
Number (thousands)	238,740	18,037	33,924	39,545
Percent	100.0%	100.0%	100.0%	100.0%
Northeast	20.9	18.4	19.2	20.8
Midwest	24.8	24.8	25.7	24.9
South	34.3	34.6	35.0	34.8
West	20.0	22.2	20.1	19.5

Source: U.S. Bureau of the Census, Current Population Reports: State Population & Household Estimates to 1985 (Series P-25, No. 998)

Population Projections By Region: 1990 and 2000

1990	All Ages	Under 5 Years	5 to 9 Years	10 to 14 Years	15 to 19 Years
Number (thousands)	249,203	19,200	18,600	16,776	16,895
Percent	100.0%	100.0%	100.0%	100.0%	100.0%
Northeast	19.4	17.2	17.0	17.8	18.6
Midwest	24.2	24.9	24.9	25.1	24.6
South	35.2	35.1	35.2	35.6	36.6
West	21.2	22.8	22.9	21.5	20.2
2000					
Number (thousands)	267,462	17,624	18,758	19,519	18,888
Percent	100.0%	100.0%	100.0%	100.0%	100.0%
Northeast	17.3	15.1	15.4	16.0	15.8
Midwest	22.3	22.9	22.9	23.2	23.0
South	37.0	36.8	36.7	36.7	37.1
West	23.4	25.2	25.0	24.1	24.1

Source: U.S. Bureau of the Census, Current Population Reports: Provisional Projections of the Population of States (Series P-25, No. 937)

Families/Households With Children

The Census Bureau has reported a total of 62,609,000 children under 18 years of age in households as of 1985, down from 63,492,000 in 1980 and 69,152,000 in 1970. Just half (49.6%) of family households, or 31,112,000, had own children under 18 years old in 1985, and these children numbered 60,784,000.

Families/Households with Children (continued)

Family Households With Own Children Under 18: March 1985

	Number	Percent
All families	62,706	100.0%
With own children under 18	31,112	49.6
Age 6 to 17 only	16,911	27.0
Some 6 to 17, some under 6	6,204	9.9
Under 6 only	7,997	12.7

Source: U.S. Bureau of the Census, Current Population Reports:
Household & Family Characteristics, March 1985
(Series P-20, No. 411)

There has been a tremendous increase in one parent family households, now more than double the 1970 total, and most of these parents are women. What is described as "the continuing breakup of the American family", as reflected in rising divorce and separation rates and the increasing number of women giving birth out of wedlock, has led to one in five of all children living in a single parent, female headed household. There is a clear relationship between child poverty and households headed by single women. Only 10% of two parent families with children are below the poverty line, yet 46% of female headed households with children fall into this classification. Put another way, 25% of babies today are born into families at the poverty level.

Family Groups With Children Under 18 Years of Age: 1970-1985

(Numbers in thousands)

	1985		1980		1970	
	Number	Percent	Number	Percent	Number	Percent
All races (White, Black, Other)						
Family groups with children	33,353	100.0%	32,150	100.0%	29,631	100.0%
Two parent groups	24,573	73.7	25,231	78.5	25,823	87.1
One parent groups	8,779	26.3	6,920	21.5	3,808	12.9
White						
Family groups with children	27,629	100.0	27,294	100.0	26,115	100.0
Two parent groups	21,873	79.2	22,628	82.9	23,477	89.9
One parent groups	5,757	20.8	4,664	17.1	2,638	10.1
Black						
Family groups with children	4,659	100.0	4,074	100.0	3,219	100.0
Two parent groups	1,856	39.8	1,961	48.1	2,071	64.3
One parent groups	2,802	60.1	2,114	51.9	1,148	35.7

Note: Includes family households, related in subfamilies, and unrelated subfamilies.

Source: U.S. Bureau of the Census, Current Population Reports:
Household & Family Characteristics, March 1985
(Series P-20, No. 411)

Families/Households With Children (continued)

As of March 1985, there were 60,784,000 children under 18 years of age living with one or both parents. The mean family income for all of these children was $28,061. However, for the 46,149,000 children under 18 (76% of the total) living with both parents, the mean was $33,182.

Almost 23% of the children under 18 were in families with incomes of $40,000 or more. Older children are more likely to have parents who have moved up the earnings scale. Among those age 12 to 17 years, almost 30% were in families with annual income upwards of $40,000; about 18% were in families with incomes of $50,000 or more compared with only about 9% of the children under six.

Distribution By Family Income In 1985
Of Children Under 18 Years of Age Living With One or Both Parents
(Numbers in thousands)

Family Income	Total Under 18		Under 6 Yrs.		6 to 11 Yrs.		12 to 17 Yrs.	
	No.	%	No.	%	No.	%	No.	%
Under $10,000	12,242	20.1%	5,245	24.9%	3,781	19.8%	3,215	15.6%
$10,000-$14,999	6,210	10.2	2,383	11.3	1,929	10.1	1,898	9.2
$15,000-$24,999	12,373	20.4	4,462	21.2	4,044	21.1	3,868	18.7
$25,000-$39,999	16,117	26.5	5,454	25.9	5,145	26.9	5,520	26.8
$40,000-$49,999	6,213	10.2	1,712	8.2	2,005	10.5	2,496	12.1
$50,000 & over	7,628	12.6	1,782	8.5	2,209	11.6	3,636	17.6
Mean average	$28,061		$24,413		$27,751		$32,006	
Number of children	60,784	100.0	21,039	100.0	19,114	100.0	20,631	100.0

Source: U.S. Bureau of the Census, Current Population Reports, Marital Status and Living Arrangements: March 1985 (Series P-20, No. 410)

Data for 1986 indicates that 36% of married women and 47% of single women with children under 18 years of age worked full time. The proportion was lowest for those with very young children. Among married women with children aged 6 to 17, 45% worked full time but among those with children under 6, only one third worked full time. About 54% of married women with children under 6 worked either full or part time.

Studies indicate that working women who delay motherhood earn considerably more than mothers who have children at an early age. Women now in their 30's who did not become mothers until after their 27th birthday receive wages 36% higher, on average, than women who became mothers before age 22. They also earn 18% more than those who had their first child between the ages of 22 and 26.

Since there is greater potential loss of earnings due to interruption in employment for these working women, there has been a trend toward a more rapid re-entry into the labor force after giving birth. There is a continuing trend toward one child households and also a large amount of discretionary income in these households for expenditures or children's wear and playthings.

Families/Households with Children (continued)

Families With Children Under 18 Years By the Employment Status of Parents And Type of Family, Fourth Quarter 1986

(Numbers in thousands)

	With children under 18	With children under 6
Total families (number)	31,608	14,437
Married couple families (number)	24,246	11,682
Percent	100.0%	100.0%
With employed parent(s)	95.9	95.5
Both employed	56.7	50.8
Father or mother employed	34.1	39.6
Father or mother unemployed	5.1	5.1
With no employed parent	4.1	4.5
Families maintained by women (number)	6,412	2,437
Percent	100.0%	100.0%
Mother employed	61.7	46.6
Mother not employed	38.3	53.4
Families maintained by men (number)	950	319
Percent	100.0%	100.0%
Father employed	82.3	81.8
Father not employed	17.7	18.2

Source: U.S. Bureau of Labor Statistics
New release on Employment & Earnings Characteristics of Families (Feb. 4, 1987)

Characteristics of Households With School Children 5 to 18 Years Old: 1985

(Numbers in thousands -- Households as of March 1986)

		Household Money Income		
	Total	Under $10,000	$10,000 to $19,999	$20,000 and over
Total, Households with school children 5 to 18 years old	26,940	3,901	4,898	18,141
Type of residence:				
Inside metropolitan areas	20,660	2,865	3,393	14,401
Inside central cities	7,926	1,795	1,573	4,558
Outside central cities	12,734	1,071	1,820	9,842
Outside metropolitan areas	6,280	1,037	1,504	3,741
Region:				
Northeast	5,339	765	828	3,747
Midwest	6,812	983	1,094	4,735
South	9,431	1,522	2,045	5,863
West	5,358	633	929	3,796

(continued)

Families/Households with Children (continued)

Characteristics of Households With School Children 5 to 18 Years Old: 1985

(Numbers in thousands -- Households as of March 1986)
(continued)

	Total	Household Money Income Under $10,000	$10,000 to $19,999	$20,000 and over
Race of householder:				
White	22,122	2,482	3,751	15,887
Black	3,916	1,283	982	1,651
Spanish origin	2,369	623	599	1,148
Type of household:				
Family households	26,676	3,862	4,840	17,975
Married couple families	19,871	1,199	2,977	15,694
Male householder, no wife present	947	144	198	604
Female householder, no husband present	5,858	2,518	1,664	1,676
Nonfamily households	264	40	58	167
Male householder	235	37	49	149
Female householder	29	3	9	17
Age of householder:				
15 to 24	512	269	123	121
25 to 34	7,626	1,632	1,799	4,245
35 to 44	11,557	1,183	1,786	8,587
45 to 54	5,042	443	746	3,854
55 to 64	1,583	233	275	1,073
65 years and over	571	142	169	260
Mean age of householder	40.0	na	na	40.8
Number of children 5 to 18 years old:				
One child	13,660	1,952	2,475	9,232
Two children	9,123	1,189	1,557	6,377
Three children	3,044	532	593	1,918
Four children	788	150	196	443
Five children or more	325	80	75	171
Mean number of children	1.71	na	na	1.68

na not available

Source: U.S. Bureau of the Census:
Current Population Reports,
Consumer Income, Series P-60, No. 155

SCHOOL ENROLLMENT

High birth totals in the first half of the 1980's and the increase in the number of working mothers has resulted in increases in nursery school and kindergarten enrollment. In 1985, nearly 2.5 million children were enrolled in nursery school, a gain of 25% since 1980. Of the total population age 3 and 4 years, 39% were enrolled, up from 31% in 1975 and 20.5% in 1970. Kindergarten enrollment was up 20.1% from 1980 to 1985.

With more and more mothers working and returning sooner than ever to their jobs after giving birth, preschool enrollment has, in many cases, been made a necessity. As the children of baby boomers grow up in the 1980's and 1990's, and with the expected dropoff in the birth rate as the baby boomers themselves age, nursery and kindergarten enrollment will decline. However, there will subsequently be a significant gain at the elementary and high school levels, which have been experiencing falling enrollment thus far in the 1980's. As the growth pattern moves along the age scale in coming years, it will be around the mid-1990's when high school enrollment has its big increase.

Enrollment in Nursery School & Kindergarten: 1980, 1985
(Numbers in thousands)

Number Enrolled	1985	1980	% Change 1985/80
Preprimary school, total	6,306	5,163	+ 22.1%
Nursery school, total	2,491	1,987	+ 25.4
Public	854	633	+ 34.9
Private	1,637	1,354	+ 20.9
Kindergarten, total	3,815	3,176	+ 20.1
Public	3,221	2,690	+ 19.7
Private	594	486	+ 22.2

Percentage of Children Enrolled in School			1970
Age 3 and 4 years	38.9%	36.7%	20.5%
Age 5 and 6 years	96.1	95.7	89.5

Enrollment in Elementary School & High School: 1980, 1985
(Numbers in thousands)

Number Enrolled	1985	1980	% Change 1985/80
Elementary school, total	26,866	27,449	- 2.1%
Public	23,803	24,398	- 2.4
Private	3,063	3,051	+ 0.4
High School, total	13,979	14,556	- 4.0
Public	12,764	13,249*	- 3.7
Private	1,215	1,100*	+ 10.4

* 1981 data; 1980 data not available

Source: U.S. Bureau of the Census, Current Population Reports: Population Characteristics, Series P-20, No. 409 (September 1986)

SCHOOL ENROLLMENT

Percentage of Children 3 to 17 Years Old Enrolled in School: 1980, 1985

	1985	1980
Children 3-17 enrolled in school (number)	46,360	46,294
Percent enrolled by age:		
3-4 years	38.9%	36.7%
5-6 years	96.1	95.7
7-13 years	99.2	99.2
14-17 years	94.9	93.6
Boys 3-17 enrolled in school (number)	23,621	23,604
Percent enrolled by age:		
3-4 years	36.7	37.8
5-6 years	95.3	95.0
7-13 years	99.2	99.2
14-17 years	95.4	93.9
Girls 3-17 enrolled in school (number)	22,739	22,690
Percent enrolled by age:		
3-4 years	41.2	35.5
5-6 years	97.0	96.4
7-13 years	99.3	99.3
14-17 years	94.5	93.3

Source: U.S. Bureau of the Census, *Current Population Reports*, Series P-20, No. 409 (September 1986)

THE CHILDREN'S MARKET: APPAREL

Market Trends

When children's wear manufacturers and retailers were asked in late 1986 to forecast what 1987 had in store for them, the general consensus was that increases would be modest. Coming off a good--but not great--1986, they predicted lower gains for 1987, citing the uncertain national economy, particularly on questions of trade policy and the impact of the new tax law.

Though retail sales in 1987 have buoyed the industry, soaring imports continue to make prospects uncertain. Ailing domestic textile and apparel manufacturers are seeking salvation in the new Democrat-led Congress, hoping that it will prove to be more sensitive to their needs. They want Congress to inhibit imports of both raw materials and made-up goods, expressing optimism since many of the new members are from the South, where much of the domestic production is done. There is also a move for states to pass legislation exempting purchases of up to $100 in children's apparel from sales tax.

One of the strategies adopted by children's wear manufacturers to counter foreign competition has been to source their products abroad either directly from foreign producers or to establish their own plants in nations that offer the advantage of low labor costs. Manufacturers have also taken advantage of Item 807 of the U.S. Tariff Code, which allows domestic producers to cut fabric for the various parts of a garment, ship the parts to a foreign nation for assembly, then reimport the assembled garments, paying duty only on the value added abroad. The Caribbean Basin and Mexico are prime locations for this option.

In addition to imports, children's wear manufacturers are being squeezed by the proliferation of retailers' private label programs, particularly in large department stores. This has prompted some manufacturers to diversify into product lines aimed at the specialty store segment of the market. While there is evidence that retailers are trying to achieve a better balance between private label and branded merchandise, many retailers continue to rely on private brands as they have for many years. Sears, for one, just recently signed a marketing deal with McDonald's Corporation to produce McKids playwear, which is projected to be substantially more than a $50 million line. It is expected to be in stores in time for back-to-school sales.

Higher household incomes as a result of working women waiting longer to become mothers has encouraged the opening of many new children's wear operations, to the point that the market may now be oversaturated. Specialty stores such as The Children's Place, Kids Mart and Kids "R" Us have expanded their businesses rapidly, but have encountered increasing competition from discount stores covering the low-end of the market and department stores covering the high-end. Other chains, including U.S. Kids, the children's wear division of U.S. Shoe, have ceased operations, preferring to concentrate on areas where they have more experience.

This crowded environment has not deterred some retailers from expanding into children's wear, feeling that there are untapped markets both on a regional basis and in terms of merchandise (for example, a specialty store concept focusing just on infants' wear). New players in the field include The Gap, which recently opened its first The Gap Kids in Hillsdale, Calif. and Benetton, which has both freestanding locations and departments within its traditional stores. The key is a finely focused merchandise strategy.

Market Trends (continued)

One new children's wear store concept is a direct reflection of the pervasive role that licensing plays in apparel sales. In April 1987, Walt Disney Co. opened its first retail store outside its theme parks in Glendale, Calif. The 2,000 square foot store sells all manner of children's wear, toys, and gifts utilizing the ubiquitous Disney characters. The licensing industry is presently a $54 billion business in the U.S., with apparel and accessory products--much of it children's wear--accounting for 38% of the total. A mix of new toys and the resurgence of cartoon characters have helped the licensing industry do a booming business in all areas of children's sportswear, sleepwear, underwear, T-shirts and swimwear.

GENERAL INDUSTRY STATISTICS: APPAREL

A complete census of all manufacturers in the U.S. (with one or more paid employees) is compiled every five years by the U.S. Bureau of the Census. Results from the latest (1982), covering operations in the children's wear industry, are covered below. Also, comparable data has been reported by the Census Bureau for 1983-1985 in the Annual Surveys of Manufactures. These surveys use a sample of manufacturers in order to develop estimates on key measurements of manufacturing activity during intercensal periods.

The children's dress/blouse and coat/suit industries have been declining in both the number of establishments and their output over the last few years. The number of production workers dropped down 15.5% and 26.7%, respectively, in 1985 from the year before. In contrast, companies manufacturing other types of outerwear, such as tops, playwear, swimwear, robes, skirts and headwear had a positive year in 1985. The value of these shipments rose 11.5% for the year, while the number of production workers went up nearly 3%. (Employment data for 1986, as compiled by the Bureau of Labor Statistics, is covered in the section on EMPLOYMENT & EARNINGS.)

Children's Dresses & Blouses (SIC 2361*)

	1985	1984	1983	1982	% Change 1985/84
Number of companies	na	na	na	490	--
Number of establishments, total**	na	479	511	556	--
Number with 20 or more employees	na	334	350	391	--
Employees, total (thous.)	26.7	31.4	36.0	37.7	-15.0%
Production workers (thous.)	22.3	26.4	30.9	32.4	-15.5
Payroll (mil. $)	$291.9	$327.4	$342.1	$357.3	-10.8
Value added by manufacture# (mil. $)	678.6	682.7	762.9	745.9	- 0.6
Value of industry shipments## (mil. $)	1,268.7	1,332.0	1,400.9	1,417.7	- 4.8
Capital expenditures, new (mil. $)	13.2	11.3	7.6	11.6	+16.8
Machinery and equipment (mil. $)	na	na	na	9.1	--

Children's Coats & Suits (SIC 2363*)

	1985	1984	1983	1982	% Change 1985/84
Number of companies	na	na	na	71	--
Number of establishments, total**	na	66	66	81	--
Number with 20 or more employees	na	38	34	51	--
Employees, total (thous.)	3.6	4.8	5.8	6.3	-25.0%
Production workers (thous.)	3.3	4.5	4.8	5.5	-26.7
Payroll (mil. $)	$ 36.4	$ 43.3	$ 47.6	$ 52.6	-15.9
Value added by manufacture# (mil. $)	88.9	95.0	133.3	103.6	- 6.4
Value of industry shipments## (mil. $)	144.6	172.5	211.0	193.1	-16.2
Capital expenditures, new (mil. $)	0.9	na	na	1.4	--
Machinery and equipment (mil. $)	na	na	na	0.9	--

(continued)

GENERAL INDUSTRY STATISTICS: APPAREL

Children's Outerwear, not elswhere classified (SIC 2369*)

	1985	1984	1983	1982	% Change 1985/84
Number of companies	na	na	na	279	--
Number of establishments, total**	na	297	330	332	--
Number with 20 or more employees	na	211	213	216	--
Employees, total (thous.)	29.6	28.7	27.4	27.6	+ 3.1%
Production workers (thous.)	25.2	24.5	22.5	23.3	+ 2.9
Payroll (mil. $)	$ 319.9	$297.3	$ 266.0	$262.8	+ 7.6
Value added by manufacture# (mil. $)	702.8	676.5	573.6	597.8	+ 3.9
Value of industry shipments## (mil. $)	1,327.6	1,190.2	1,068.4	1,102.4	+11.5
Capital expenditures, new (mil. $)	12.5	10.8	14.6	17.1	+15.7
Machinery and equipment (mil. $)	na	na	na	12.0	--

na not available

* Manufacturers are classified by industry under the Standard Industrial Classification (SIC) system (1972) determined by the principal product made, as shown below:

SIC 2361 comprises establishments primarily engaged in manufacturing girls', children's, toddlers' and infants' dresses, blouses, waists, and shirts, cut and sewed from purchased woven or knit fabric.

SIC 2363 covers establishments primarily engaged in manufacturing girls', children's, toddlers' and infants' coats and suits, cut and sewed from woven and knit fabric.

SIC 2369 includes establishments primarily engaged in manufacturing girls', children's, toddlers' and infants' outerwear, not elsewhere classified, cut and sewed from purchased woven or knit fabric. It covers items such as tops, playwear, swimwear, robes, skirts, headwear, etc.

NOTE: Separate industry figures are not available on boys' wear and on children's underwear and nightwear manufacturers. These are combined in industry data on men's and boys' manufacturers and women's and children's manufacturers, which are included in other Fact Files covering specific apparel categories.

** Covers manufacturing establishments (plants) only, and each location is separately counted. Figures for 1984 are from County Business Patterns, U.S. Bureau of the Census.

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

The value of industry shipments includes both primary and secondary products made by manufacturers in the industry, as well as receipts for contract work and miscellaneous receipts. The value of primary products made in this industry, as well as the value of these products made by secondary producers, is covered in the Product Shipments section of this Fact File.

Source: U.S. Bureau of the Census,
1985, 1984, 1983 Annual Survey of Manufactures,
1982 Census of Manufactures

GENERAL INDUSTRY STATISTICS: APPAREL

Industry Shipments

Based on data compiled by the Census Bureau, the International Trade Administration (U.S. Department of Commerce) compiles annual projections covering industry and product shipments on a constant dollar basis for various apparel classifications. Estimates for 1985 and 1986 compared with reported 1984 figures are noted below. These figures show industry "real" growth, eliminating the effects of inflation.

Value of Industry Shipments of Specified Children's Wear: 1984-1986
(Value in millions of 1982 dollars)

	1986(e)	1985(e)	1984	% Change 1986/85	% Change 1985/84	Compound Annual Growth Rate 1984/79
Dresses & blouses (SIC 2361)	$1,375	$1,345	$1,347	+ 2.2%	- 0.1%	+5.4%
Coats & suits (SIC 2363)	161	150	154	+ 7.3	- 2.5	-3.6

(e) estimated

Source: U.S. Department of Commerce,
International Trade Administration:
1987 U.S. Industrial Outlook

Employment and Earnings

Employment data for 1986, as compiled by the Bureau of Labor Statistics, shows that total employment as well as production worker employment increased, though not back to the level reached in 1984. It should be noted that employment and earnings data issued by the BLS and the Census Bureau are not directly comparable due to differences in methodology used by each agency in compiling data.

Employment & Earnings in Children's Wear Industries

	Annual Averages 1986	Annual Averages 1985	Annual Averages 1984	% Change 1986/85
Children's Outerwear (SIC 236*)				
All employees (thous.)	63.4	61.3	63.6	+ 3.4%
Production workers (thous.)	53.5	51.5	53.9	+ 3.9
Avg. weekly earnings	$191.95	$185.56	$180.68	+ 3.4
Avg. weekly hours	37.2	36.6	36.5	+ 1.6
Avg. weekly earnings	$ 5.16	$ 5.07	$ 4.95	+ 1.8

(continued)

GENERAL INDUSTRY STATISTICS: APPAREL

Employment and Earnings (continued)

Employment & Earnings in Children's Wear Industries
(continued)

	Annual Averages 1986	1985	1984	% Change 1986/85
Children's dresses & blouses (SIC 2361*)				
All employees (thous.)	26.3	25.4	27.0	+ 3.5
Production workers (thous.)	23.1	22.3	23.8	+ 3.6
Avg. weekly earnings	$180.28	$175.29	$175.42	+ 2.8
Avg. weekly hours	36.2	35.7	35.8	+ 1.4
Avg. weekly earnings	$ 4.98	$ 4.91	$ 4.90	+ 1.4

* For definitions of SIC codes, see page 14

Source: U.S. Bureau of Labor Statistics
Employment & Earnings

Industry Concentration

As part of the complete Census of Manufactures covering operations in 1982, the U.S. Census Bureau has compiled data on industry concentration levels. Though the bulk of children's wear manufacturing is by companies with more than one plant, there is also a good deal of production by small, single-unit operations.

In the children's dress and blouse industry, 16.5% of the companies had more than one plant. These plants accounted for more than 60% of the value of industry shipments. The four largest companies accounted for 17% of shipments, while the 50 largest had a 64% share.

Single & Multiunit Companies' Share of Shipments, 1982

	Companies	Plants No.	Plants %	Employees Thous.	Employees %	Value of Industry Shipments Thous. $	Value of Industry Shipments %
Children's dresses & blouses	490	556	100.0%	37.7	100.0%	$1,417.7	100.0%
Multiuni[illegible]mpanies	81	147	26.4	20.4	54.1	859.8	60.6
Single unit companies	409	409	73.6	17.2	45.9	558.0	39.4
Children's coats & suits	71	80	100.0%	6.1	100.0%	191.3	100.0%
Multiunit companies	14	23	28.8	(D)	na	(D)	na
Single unit companies	57	57	71.2	(D)	na	(D)	na

(continued)

Industry Concentration (continued)

Single & Multiunit Companies' Share of Shipments, 1982
(continued)

	Companies	Plants No.	Plants %	Employees Thous.	Employees %	Value of Industry Shipments Thous. $	Value of Industry Shipments %
Children's outerwear, n.e.c.	279	332	100.0%	27.6	100.0%	$1,102.4	100.0%
Multiunit companies	51	104	31.3	18.4	66.7	737.5	66.9
Single unit companies	228	228	68.7	9.2	33.3	364.9	33.1

na not available
(D) Withheld to avoid disclosure by Census Bureau
nec not elsewhere classified

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
Type of Organization, Subject Series MC82-S-5

As in other segments of the apparel industry, there has been a consolidation of manufacturing activity in children's wear due to the competition from imports. As noted in the table on industry statistics, the number of plants manufacturing children's wear is currently well below the U.S. total in 1982. Even by 1982, the latest available data on companies' share of industry shipments show the trend to consolidation, particularly in children's coats and suits, and other outerwear. In the former, the eight largest companies controlled 66% of shipments compared with only 47% in 1977. The number of companies in the industry declined from 108 to 71.

Share of Value of Industry Shipments Accounted For By The Largest Companies

Industry	No. of Companies	Value of Industry Shipments* Total (mil. $)	Percent accounted for by largest companies: 4 largest	8 largest	20 largest	50 largest
Children's dresses & blouses						
1982	490	$1,417.7	17%	26%	43%	64%
1972	439	655.2	17	26	42	63
Children's coats & suits						
1982	71	191.3	46	66	87	98
1977	108	173.8	32	47	72	92
Children's outerwear, n.e.c.						
1982	279	1,102.4	32	42	61	81
1972	370	578.2	22	32	48	69

n.e.c. not elsewhere classified
* For an explanation of terms see page 14

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
Concentration Ratios in Manufacturing MC82-S-7

Industry Concentration (continued)

Large plants, with 100 or more employees, represent less than 25% of the plants making children's wear; however, these plants account for a major share of industry activity. In the children's dress and blouse industry, plants with 100 or more employees accounted for 18% of the plants, but over 59% of the value added by manufacture in the industry. In the children's coat and suit industry, the percentages were 22% and 66%, respectively; in other children's outerwear, 25% and 74%.

Concentration By Employment Size, 1982

	Establishments		Value Added By Manufacture*		Industry Shipments*	
	Number	%	(mil. $)	%	(mil. $)	%
Children's dresses & blouse industry, U.S. total	556	100.0%	$745.9	100.0%	$1,417.7	100.0%
By establishment (plant) size:						
Under 20 employees	165	29.7	44.3	5.9	119.0	8.4
20 - 49 employees	166	29.9	119.1	16.0	293.0	20.7
50 - 99 employees	124	22.3	138.5	18.6	265.5	18.7
100 or more employees	101	18.2	444.0	58.5	740.2	52.2
Children's coat & suit industry, U.S. total	81	100.0	103.6	100.0	193.1	100.0
By establishment (plant) size:						
Under 20 employees	30	37.0	10.0	9.7	34.7	18.0
20 - 49 employees	19	23.5	11.8	11.4	23.3	12.1
50 - 99 employees	14	17.3	13.0	12.5	20.0	10.4
100 or more employees	18	22.2	68.8	66.4	115.1	59.6
Children's outerwear n.e.c. industry, U.S. total	332	100.0	597.8	100.0	1,102.4	100.0
By establishment (plant) size:						
Under 20 employees	116	34.9	24.5	4.1	60.3	5.5
20 - 49 employees	70	21.1	48.8	8.2	96.5	8.8
50 - 99 employees	62	18.7	80.3	13.4	164.7	14.9
100 or more employees	84	25.3	444.5	74.4	780.9	70.8

n.e.c. not elsewhere classified
* For an explanation of terms, see page 14

Source: U.S. Bureau of the Census, 1982 Census of Manufactures

Leading States

New York State is the leading production center for children's wear. Pennsylvania is also an important center for the dress/blouse industry. Overall, production of children's wear, which is a labor intensive industry, is less concentrated than the women's wear industry in New York, and is spread throughout a number of states.

Leading States (continued)

Industry Statistics For Leading States, 1982

	All Plants		Employees		Value added By Manufacture	
	Total	With 20+ Employees	No. (thous.)	% of Total	Mil. $	% of Total
Children's dresses & blouses,						
U.S. total	666	391	37.7	100.0%	$745.9	100.0%
Leading states:	297	217	18.0	47.8	400.5	53.7
New York	131	81	4.6	12.2	148.7	19.9
Pennsylvania	90	76	7.2	19.1	132.4	17.8
Alabama	8	8	1.8	4.8	57.5	7.7
New Jersey	42	28	1.7	4.5	32.4	4.3
Virginia	26	24	2.7	7.2	29.5	4.0
Children's coats & suits,						
U.S. total	81	51	6.3	100.0	103.6	100.0%
Leading states:	41	20	2.4	38.1	32.2	31.1
New York	27	14	1.9	30.2	28.7	27.7
New Jersey	14	6	0.5	7.9	3.5	3.4
Children's outerwear, n.e.c.,						
U.S. total	332	215	27.6	100.0	597.8	100.0
Leading states:	137	73	7.8	28.2	197.7	33.0
New York	75	36	2.5	9.1	84.4	14.1
Virginia	12	10	2.5	9.1	57.9	9.7
Florida	20	11	1.0	3.5	24.1	4.0
New Jersey	25	12	1.3	4.7	23.9	4.0
Tennessee	5	4	0.5	1.8	7.4	1.2

n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census,
1982 Census of Manufactures

Capacity Utilization Rates

The U.S. Bureau of the Census conducts an annual survey of plant capacity which covers operations in the fourth quarter of 1985. Measures on capacity utilization include a rate which is based on plant operators' preferred level of operations (i.e. the rate at which profits will be maximized).

Capacity Utilization Rates in the Children's Coat & Suit Industry, Fourth Quarters 1984 and 1985

	Preferred Rate	
	1985	1984
Children's coats & suits (SIC 2363)	65%	79%

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Survey of Plant Capacity, 1985

APPAREL PRODUCTION

Infants'/Children's/Girls' Wear

Data on the production of children's & girls' wear is reported in the Current Industrial Reports compiled by the U.S. Bureau of the Census. All known manufacturers in the industry except very small manufacturers, are surveyed for these annual reports. Figures include garments assembled abroad and shipped back to U.S. cutters under the terms of Item 807 of the Tariff Schedule.

"Children's wear" covers boy and girl infants, toddlers and girls through their teens. Compared with 1984, production in 1985 lagged behind in most types of apparel. For example, children's/infants' jeans and dungarees dropped 26.2% for the year, while production of swimsuits fell 13%. In contrast, production of knit shirts for teen and subteen girls rose 34.9% in 1985.

Production of Children's & Girls' Wear By Fabric and Construction, 1984, 1985
(Thousands of dozens)

	1985	1984	% Change 1985/84
Dresses, total	6,326	6,675	- 5.2%
Girls', subteen & teenage	1,738	2,043	-14.9
By construction:			
Woven fabric	1,271	1,486	-14.5
Knit fabric	434	514	-15.6
Construction n.s.k.	33	43	-23.2
By fabric:			
All cotton & chiefly cotton	1,029	1,153	-10.8
All manmade & chiefly manmade	604	738	-18.1
All wool, chiefly wool & other fabrics	74	110	-32.7
Fabric n.s.k.	31	42	-26.2
Children's dresses	3,280	3,125	+ 5.0
By construction:			
Woven fabric	2,451	2,329	+ 5.2
Knit fabric	733	648	+13.1
Construction n.s.k.	96	148	-35.1
By fabric:			
All cotton & chiefly cotton	824	857	- 3.9
All manmade & chiefly manmade	2,126	2,068	+ 2.8
All wool, chiefly wool & other fabrics	330	200	+65.0
Infants' & toddlers' dresses	1,308	1,507	-13.2
By construction:			
Woven fabric	1,041	1,107	- 6.0
Knit fabric	207	259	-20.1
Construction n.s.k.	60	141	-57.4
By fabric:			
All cotton & chiefly cotton	335	296	+13.2
All manmade & chiefly manmade	894	1,060	-15.7
All other fabrics not specified	79	151	-47.7

(continued)

APPAREL PRODUCTION

Infants'/Children's/Girls' Wear

Production of Children's & Girls' Wear By Fabric and Construction, 1984, 1985

(Thousands of dozens)

(continued)

	1985	1984	% Change 1985/84
Blouses & shirts, woven, total	2,816	2,777	+ 1.4%
Girls', subteen & teenage	1,447	1,692	-14.5
All cotton & chiefly cotton	300	352	-14.8
All manmade & chiefly manmade	1,015	1,132	-10.3
All other fabrics not specified	132	208	-36.5
Children's, infants' & toddlers'	1,369	1,085	+26.2
All cotton & chiefly cotton	113	110	+ 2.7
All manmade & chiefly manmade	973	725	+34.2
All other fabrics not specified	283	250	+13.2
Blouses & shirts, knit (except sweat shirts)	12,675	12,675	--
Girls', subteen & teenage	1,754	1,300	+34.9
All cotton & chiefly cotton	240	427	-43.8
All manmade & chiefly manmade	1,471	824	+78.5
All other fabrics not specified	43	49	-12.2
Children's, infants' & toddlers'	10,921	11,375	- 4.0
All cotton & chiefly cotton	2,364	2,475	- 4.5
All manmade & chiefly manmade	8,457	8,774	- 3.6
All other fabrics not specified	100	126	-20.6
Sweaters, including sweater vests			
Girls', children's & infants'	1,229	1,316	- 6.6
All manmade & chiefly manmade	788	859	- 8.3
Coats, except down and feather filled			
Girls', subteen & teenage	59	61	- 3.3
All manmade & chiefly manmade	55	57	- 3.5
Coats, including coat and legging sets; coat and snowpants sets; ski suits and snowsuits (children's & infants')	540	628	-14.0
All cotton & chiefly cotton	22	13	+69.2
All manmade & chiefly manmade	404	430	- 6.0
All wool, chiefly wool & other fabrics	114	185	-38.4
Raincoats and raincapes			
Girls', children's & toddlers'	14	11	+27.3
Jackets, girls', children's & infants'	667	688	- 3.1
All manmade & chiefly manmade	507	500	+ 1.4
Fabric n.s.k.	17	19	-10.5

(continued)

Infants'/Children's/Girls' Wear

Production of Children's & Girls' Wear By Fabric and Construction, 1984, 1985

(Thousands of dozens)
(continued)

	1985	1984	% Change 1985/84
Vests, Girls', children's & infants'	13	11	+18.2%
All cotton & chiefly cotton All manmade & chiefly manmade All other fabrics	13	11	+18.2
Suits, Girls', children's, & infants'	119	104	+14.4
All cotton & chiefly cotton	46	42	+ 9.5
All manmade & chiefly manmade	29	17	+70.6
All wool, chiefly wool & other fabrics	44	45	- 2.2
Skirts, Girls', children's & infants'	850	785	+ 8.3
By construction:			
Woven fabric	622	526	+18.3
Knit fabric	59	46	+28.3
Construction n.s.k.	169	213	-20.7
By fabric:			
All cotton & chiefly cotton	184	129	+42.6
All manmade & chiefly manmade	494	484	+ 2.1
All wool, chiefly wool & other fabrics	13	19	-31.6
Fabric n.s.k.	159	153	+ 3.9
Slacks, including jean-cut casual, Girls's, subteen & teenage	1,284	1,433	-10.4
By construction:			
Woven fabric	1,021	1,186	-13.9
Knit fabric	230	217	+ 6.0
Construction n.s.k.	33	30	+10.0
By fabric:			
All cotton & chiefly cotton	493	604	-18.4
All manmade & chiefly manmade	741	783	- 5.4
All wool, chiefly wool & other fabrics	50	46	+ 8.7
Jeans and dungarees, Girls', subteen & teenage	710	749	- 5.2
All cotton & chiefly cotton	429	425	+ 0.9
All manmade & chiefly manmade	271	235	+15.3
Fabric n.s.k.	10	89	-88.8
Children's and infants' slacks, including jean-cut casual slacks	3,156	3,153	+ 0.1
By construction:			
Woven fabric	2,111	2,334	- 9.6
Knit fabric	1,020	787	+29.6
Construction n.s.k.	25	32	-21.9
By fabric:			
All cotton & chiefly cotton	894	1,010	-11.5
All manmade & chiefly manmade	2,173	2,085	+ 4.2
All wool, chiefly wool & other fabrics	89	58	+53.4
Children's, infants' jeans and dungarees	1,702	2,305	-26.2
All cotton & chiefly cotton	914	1,009	- 9.4
All manmade & chiefly manmade	779	1,214	-35.8
Fabric n.s.k.	9	82	-89.0

(continued)

Infants'/Children's/Girls' Wear

Production of Children's & Girls' Wear By Fabric and Construction, 1984, 1985

(Thousands of dozens)
(continued)

	1985	1984	% Change 1985/84
SHORTS			
Girls', subteen & teenage	911	828	+10.0%
By construction:			
Woven fabric	687	691	- 0.6
Knit fabric	87	96	- 9.4
Construction n.s.k.	137	41	+234.1
By fabric:			
All cotton & chiefly cotton	362	327	+10.7
All manmade & chiefly manmade	413	459	-10.0
Fabric n.s.k.	136	42	+223.8
Children's & infants'	1,426	1,199	+18.9
By construction:			
Woven fabric	973	811	+20.0
Knit fabric	449	378	+18.8
Construction n.s.k.	4	10	-60.0
By fabric:			
All cotton & chiefly cotton	543	494	+ 9.9
All manmade & chiefly manmade	792	680	+16.5
All other fabrics not specified	91	25	+264.0
PLAYGARMENTS INCLUDING PLAYSUITS AND HALTER TOPS			
Girls' & children's	1,322	1,405	- 5.9
By construction:			
Woven fabric	1,033	1,012	+ 2.1
Knit fabric	258	356	-27.5
Construction n.s.k.	31	37	- 16.2
By fabric:			
All cotton & chiefly cotton	633	671	- 5.7
All manmade & chiefly manmade	659	704	- 6.4
All other fabrics not specified	30	30	--
PLAYGARMENTS INCLUDING CREEPERS AND ROMPERS			
Infants' & toddlers'	5,089	5,547	- 8.3
By construction:			
Woven fabric	2,458	2,512	- 2.1
Knit fabric	2,603	3,012	-13.6
Construction n.s.k.	28	23	+21.7
By fabric:			
All cotton & chiefly cotton	1,475	1,654	-10.8
All manmade & chiefly manmade	3,542	3,872	- 8.5
All other fabrics not specified	72	21	+242.9
Sweat shirts and jogging suits			
Girls', children's & infants'			
Sweat shirts	447	152	+194.1
Separate sweat pants	474	376	+26.1
Jogging suits	446	363	+22.9

(continued)

Infants'/Children's/Girls' Wear

Production of Children's & Girls' Wear By Fabric and Construction, 1984, 1985

(Thousands of dozens)
(continued)

	1985	1984	% Change 1985/84
PLAYGARMENTS			
Infants' up to size 24 months, boxed sets	203	272	-25.4%
By construction:			
Woven fabric	7	7	--
Knit fabric	94	113	-16.8
Fabric n.s.k.	102	152	-32.9
By fabric:			
All cotton & chiefly cotton	52	3	+1633.3
All manmade & chiefly manmade	36	117	-69.2
All other fabrics not specified	115	152	-24.3
TEAM SPORTS UNIFORMS			
Girls', children's & infants'	62	230	-73.0
SWIMSUITS			
Girls', children's & infants'	833	957	-13.0
By construction:			
Woven fabric	63	83	-24.1
Knit fabric	770	874	-11.9
By fabric:			
All manmade & chiefly manmade	819	937	-12.6
Fabric n.s.k.	14	20	-30.0
Panties, including pettipants			
Girls' & children's	8,003	8,473	- 5.5
By construction:			
Woven fabric	367	422	-13.0
Knit fabric	7,636	8,051	- 5.2
By fabric:			
All cotton & chiefly cotton	5,407	5,610	- 3.6
All manmade & chiefly manmade	2,584	2,853	- 9.4
Fabric n.s.k.	12	10	+20.0
Slips, vests & undershirts			
Girls' & children's	1,468	1,544	- 4.9
By construction:			
Woven fabric	298	296	+ 0.7
Knit fabric	1,170	1,248	- 6.3
By fabric:			
All cotton & chiefly cotton	476	504	- 5.6
All manmade & chiefly manmade	992	1,040	- 4.6
Panties, Infants' & toddlers'	3,458	3,849	-10.2
By construction:			
Woven fabric } Knit fabric }	3,458	3,849	-10.2
By fabric:			
All cotton & chiefly cotton	3,446	3,801	- 9.3
All manmade & chiefly manmade	12	48	-75.0

(continued)

APPAREL PRODUCTION

Infants'/Children's/Girls' Wear

Production of Children's & Girls' Wear By Fabric and Construction, 1984, 1985
(Thousands of dozens)
(continued)

	1985	1984	% Change 1985/84
Slips, vests, undershirts and other underwear except panties, Infants' & toddlers'	5,108	4,534	+12.7%
By construction:			
Woven fabric	na	29	na
Knit fabric	na	4,358	na
Construction n.s.k.	na	147	na
By fabric:			
All cotton & chiefly cotton	4,516	3,911	+15.5
All manmade & chiefly manmade	475	508	- 6.5
Fabric, n.s.k.	117	115	+ 1.7
NIGHTWEAR, EXCLUDING ROBES			
Girls', children's, infants' & toddlers'	6,972	7,261	- 4.0
Nightgowns, girls' & children's	1,347	1,365	- 1.3
By construction:			
Woven fabric	278	382	-27.2
Knit fabric	1,065	979	+ 8.8
Construction n.s.k.	4	4	--
By fabric:			
All cotton & chiefly cotton	1,343	1,362	- 1.4
All manmade & chiefly manmade			
Fabric, n.s.k.	4	3	+33.3
Pajamas, including heavyweight sleeping garments with feet, girls' & childrens	1,951	1,771	+10.2
By construction:			
Woven fabric	180	205	-12.2
Knit fabric	1,758	1,566	+12.3
Construction n.s.k.	13	na	na
By fabric:			
All cotton & chiefly cotton	1,938	1,750	+10.7
All manmade & chiefly manmade			
Fabric, n.s.k.	13	21	-38.1
Nightgowns, infants' & toddlers'	861	954	- 9.7
By construction:			
Woven fabric	84	108	-22.2
Knit fabric	777	846	- 8.2
By fabric:			
All cotton & chiefly cotton			
All manmade & chiefly manmade	861	954	- 9.7

APPAREL PRODUCTION

Infants'/Children's/Girls' Wear

Production of Children's & Girls' Wear By Fabric and Construction, 1984, 1985

(Thousands of dozens)
(continued)

	1985	1984	% Change 1985/84
Pajamas, including heavyweight sleeping garments made with feet,			
Infants' & toddlers'	2,813	3,171	-11.3%
By construction:			
Woven fabric	91	61	+49.2
Knit fabric	2,714	3,110	-12.7
By fabric:			
All cotton & chiefly cotton	18	69	-73.9
All manmade & chiefly manmade	2,795	3,102	- 9.9
Robes, Girls', children's & infants'	81	104	-22.1
Diapers, total*	5,774	6,283	- 8.1
Birdseye	2,785	3,028	- 8.0
All other	2,989	3,255	- 8.2

*Excludes knit diapers, diapers and diaper liners made from paper and/or nonwoven fabrics

na not available
n.s.k. not specified by kind

Source: U.S. Bureau of the Census,
Current Industrial Reports
Women's & Children's Outerwear MA23F(85)-1

Boys' Wear

Production of Specified Types of Boys' Wear, 1984, 1985

(Thousands of units)

	1985	1984	% Change 1985/84
Suits, incl. casual & uniform	2,412	2,885	- 16.4%
All manmade & chiefly manmade	2,259	2,729	- 17.2
All wool & chiefly wool	72	65	+ 10.8
Fabric n.s.k.	81	91	- 11.0
Overcoats, topcoats, tailored suburban & car coats, incl. uniform,	98	95	+ 3.2
All manmade & chiefly manmade	92	92	--
Fabric n.s.k.	6	3	+100.0

(continued)

APPAREL PRODUCTION

Boy's Wear

Production of Specified Types of Boys' Wear, 1984, 1985

(Thousands of units)
(continued)

	1985	1984	% Change 1985/84
Tailored suit-type dress & sport coats, incl. uniform	1,478	1,471	+ 0.5%
All manmade & chiefly manmade	1,257	1,312	- 4.2
All wool & chiefly wool	189	140	+ 35.0
All other fabric	15	9	+ 66.7
Fabric n.s.k.	17	10	+ 70.0
Separate dress and sport trousers, incl. uniform	12,484	12,878	- 3.1
All cotton & chiefly cotton	1,528	2,162	- 29.3
All manmade & chiefly manmade	9,800	9,798	--
Fabric n.s.k.	1,156	918	+ 25.9
Jeans & dungarees	56,959	56,595	+ 0.6
All cotton & chiefly cotton	50,104	49,932	+ 0.3
All manmade & chiefly manmade	5,824	5,094	+ 14.3
Fabric n.s.k.	1,031	1,569	- 34.3
Jean-cut casual slacks	14,944	18,867	- 20.8
All cotton & chiefly cotton	6,648	6,026	+ 10.3
All manmade & chiefly manmade	8,296	12,841	- 35.4
Shorts, including athletic shorts	16,550	14,341	+ 15.4
By fabric:			
All cotton & chiefly cotton	5,408	4,569	+ 18.4
All manmade & chiefly manmade	10,898	9,536	+ 14.3
All other fabrics	244	236	+ 3.4
By construction:			
Woven fabric	10,526	9,045	+ 16.4
Knit fabric	6,024	5,296	+ 13.7
Athletic shorts	437	na	na
Nontailored heavy outer jackets except ski	181	163	+ 11.0
All cotton & chiefly cotton	29	24	+ 20.8
All manmade & chiefly manmade	103	97	+ 6.2
All wool & chiefly wool	12	10	+ 20.0
All other fabrics not specified	37	32	+ 15.6
Nontailored light outer jackets	358	404	- 11.4
All cotton & chiefly cotton	43	46	- 6.5
All manmade & chiefly manmade	255	314	- 18.8
All other fabrics	60	44	+ 36.4
Woven shirts, including dress & uniform	1,169	1,055	+ 10.8
All cotton & chiefly cotton	473	482	- 1.9
All manmade & chiefly manmade	509	471	+ 8.1
All other fabrics	110	90	+ 22.2
Fabric n.s.k.	77	12	+541.6

(continued)

APPAREL PRODUCTION

Boy's Wear

Production of Specified Types of Boys' Wear, 1984, 1985
(Thousands of units)
(continued)

	1985	1984	% Change 1985/84
Knit sport shirts, except sweat shirts	10,092	11,267	- 10.4%
By fabric:			
All cotton & chiefly cotton	2,027	1,854	+ 9.3
All manmade & chiefly manmade	6,759	8,002	- 15.5
All other fabrics	1,002	1,085	- 7.6
Fabric n.s.k.	304	326	- 6.7
By type:			
Full open front shirts	188	308	- 39.0
Partial front opening	3,727	3,615	+ 3.1
T-shirts made for outerwear, incl. tanktops	5,131	6,468	- 20.7
Type n.s.k.	1,046	876	+ 19.4
Sweaters, including sweater vests, knit cardigans & pullovers	394	411	- 4.1
All manmade & chiefly manmade	355	368	- 3.5
All other fabrics	39	43	- 9.3
Pajamas and other nightwear, excluding robes	2,262	2,339	- 3.3
By construction:			
Woven fabric	168	229	- 26.6
Knit fabric	1,015	976	+ 4.0
Construction n.s.k.	30	10	+200.0
By fabric:			
All cotton & chiefly cotton	320	304	+ 5.3
All manmade & chiefly manmade	863	899	- 4.0
Fabric n.s.k.	30	12	+150.0
Lightweight undershirts with 1/4 sleeve, excluding T-shirts made for outerwear	3,479	3,733	- 6.8
Cotton/polyester blended fabric	1,272	1,516	- 16.1
All cotton & all other cotton blends	2,115	2,124	- 0.4
Fabric n.s.k.	92	95	- 3.2
Knit brief & shorts	10,260	8,757	- 17.2
Cotton/polyester blended fabric	1,562	1,717	- 9.0
All cotton & all other cotton blends	8,852	6,934	- 27.7
Fabric n.s.k.	154	106	+ 45.3

na not available
n.s.k. not specified by kind

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Men's & Boys' Outerwear, MA-23E(85)-1

APPAREL PRODUCTION

Hosiery

The production of infants' and children's hosiery declined 3.1% in 1985 from the year before. This dropoff would have been far more severe were it not for a 58.8% rise in the production of mid-calf/crew. This type of hosiery is where the top extends beyond ankle length but not beyond the largest part of the calf. It includes all types of hosiery such as half-hose, dress socks and athletic socks.

Production of Infants' & Children's Hosiery, 1984, 1985

	Thous. dozen pairs		% Change
	1985	1984	1985/84
Infants' & children's hosiery, total*	26,353	27,191	- 3.1%
Footsocks	699	781	- 10.5
Anklets	14,200	15,356	- 7.5
Mid-calf/Crew	5,721	3,603	+ 58.8
Knee-high	4,579	5,841	- 21.6
Stockings	25	71	- 64.8
Waist-highs	1,129	1,539	- 26.6

* Includes sizes 3 to 8 1/2
Note: Girls' hosiery is included in women's hosiery figures.

The production of boys' hosiery rose 12.1% for the year as production of mid-calf/crew hosiery (defined above) increased significantly from 1984.

Production of Boys' Hosiery, 1984, 1985

	Thous. dozen pairs		% Change
	1985	1984	1985/84
Boys' hosiery, total*	16,900	15,073	+ 12.1%
Footsocks	32	259	- 87.6
Anklets	1,164	2,145	- 45.7
Mid-calf/crew	4,990	3,342	+ 49.3
Knee-highs	10,714	9,482	+ 13.0

* Includes sizes 8 to 11

Source: National Association of Hosiery Manufacturers, 1985 Hosiery Statistics.

APPAREL PRODUCT SHIPMENTS

In contrast with "industry shipments" previously covered and defined on page 14, the value of product shipments covers the total value of shipments of specified items by all U.S. manufacturers, regardless of industry classification based on primary products.

Data on product shipments is available from two sources -- the Annual Survey of Manufactures and the Current Industrial Reports, which are based on Census Bureau surveys among all but very small manufacturers. The latter contains more specific product classifications including breakouts on boys' wear. Although consistent with the pattern in unit production, the value of children's, girls' and boys' wear shipments generally declined in 1985 from their 1984 level. A notable exception was in the shipment of sweat shirts, sweat pants and jogging suits, reflecting the popularity of fleece wear.

Value of Shipments by All U.S. Producers Of Specified Categories of Boys' & Children's Wear, 1982-1985

(Value in millions of dollars)

	1985	1984	1983	1982	% Change 1985/82
Boys' suits, coats & tailored jackets (SIC 23114)	$ 103.1	$ 147.1	$ 127.1	$ 148.2	- 30.4%
Children's wear, reported total	2,685.5	2,799.9	2,711.6	2,850.4	- 5.8
Dresses & blouses (SIC 2361)	1,266.8	1,339.0	1,322.6	1,443.2	- 12.2
Dresses & blouses (except knit outerwear sport shirts)	695.1	766.4	788.4	755.4	- 8.0
Knit sport shirts	392.4	359.6	294.5	401.7	- 2.3
Commission work on dresses & blouses	131.3	166.3	210.7	208.7	- 37.1
Dresses & blouses n.s.k. (except knit outerwear sport shirts)	48.1	46.7	na	77.4	- 37.8
Coats & suits (SIC 2363)	156.5	197.9	203.5	211.4	- 26.0%
Coats, jackets, suits & snowsuits	138.3	163.6	177.0	171.5	- 19.3
Commission work on coats & suits	27.4	31.5	17.1	32.4	- 15.4
Coats & suits n.s.k.	0.8	2.9	9.3	7.4	- 89.2
Outerwear n.e.c., (SIC 2369)	1,262.2	1,263.0	1,185.5	1,195.8	+ 5.5
Outerwear n.e.c.	1,078.5	1,103.9	995.5	1,01[illegible].1	+ 6.6
Commission work on outerwear n.e.c.	90.4	98.1	122.4	123.2	- 26.6
Outerwear n.e.c. & n.s.k.	93.2	61.1	67.6	60.5	- 54.0

n.s.k. not specified by kind
n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census, 1985 Annual Survey of Manufactures

APPAREL PRODUCT SHIPMENTS

Children's & Girls' Wear

Shipments of Specified Types of Children's & Girls' Wear-1984, 1985
(Value in millions of dollars)

	1985	1984	% Change 1985/1984
Children's & girls' wear, total of specified categories*	$3,317.0	$3,364.1	- 1.4%
Dresses	584.7	599.6	- 2.5
Girls', subteen & teenage	150.1	176.7	- 15.1
Children's	305.7	288.5	+ 6.0
Infants' & toddlers'	128.9	134.4	- 4.1
Suits	15.7	13.8	+ 13.7
Coats, incl. down & feather-filled	77.9	94.7	- 17.7
Girls', subteen & teenage	7.9	7.8	+ 1.3
Children's and infants', including coat & legging sets; coat & snowpants sets; ski suits & snowsuits	70.0	86.9	- 19.4
Raincoats & raincapes	1.5	1.7	- 11.8
Jackets	53.3	56.0	- 4.8
Blouses & shirts, woven	155.8	164.4	- 5.2
Girls', subteen & teenage	80.5	94.3	- 14.6
Children's, infants'& toddlers	75.3	70.1	+ 7.4
Blouses & shirts, knit, except sweat shirts	509.0	507.8	+ 0.2
Girls', subteen & teenage	85.0	76.9	+ 10.5
Children's, infants'& toddlers	424.0	430.9	- 1.6
Sweaters, including sweater vests Girls', children's & infants'	76.0	71.7	+ 6.0
Vests	1.5	1.1	+ 36.4
Skirts	47.5	44.8	+ 6.0
Pants, including jean-cut casual slacks	254.2	263.7	- 3.6
Girls', subteen & teenage	94.3	105.0	- 10.2
Children's & infants'	159.9	158.7	+ 0.8
Jeans & dungarees	167.2	186.7	- 10.4
Girls', subteen & teenage	59.0	60.8	- 3.0
Children's & infants'	108.2	125.9	- 14.1
Playgarments, including playsuits & halter tops	420.6	428.0	- 1.7
Shorts, girls', subteen & teenage	45.0	41.6	+ 8.2
Children's & infants'	57.5	54.4	+ 5.7
Playsuits & halter tops (Girls', children's)	58.7	55.2	+ 6.3
Creepers, rompers, etc. (Infants', toddlers')	259.4	276.8	- 6.3

(continued)

APPAREL PRODUCT SHIPMENTS

Children's & Girls' Wear

Shipments of Specified Types Of Children's & Girls' Wear-1984, 1985
(Value in millions of dollars)
(continued)

	1985	1984	% Change 1985/1984
Activewear, total	$ 201.5	$ 167.4	+ 20.4%
Swimsuits (Girls', children's, infants')	47.4	57.9	- 18.1
Sweat shirts & jogging suits (Girls, children's, infants')	68.1	42.4	+ 60.6
Sweat shirts	17.8	6.5	+173.8
Separate sweat pants	22.0	12.3	+ 78.9
Jogging suits	28.3	23.6	+ 19.9
Team sports uniforms (Girls', children's, infants')	3.5	13.7	- 74.5
Boxed sets (infants up to age 24 months)	14.4	11.0	+ 30.9
Underwear, nightwear, total	491.2	467.9	+ 5.0
Girls' & children's, total	93.4	99.5	- 6.1
Panties, including pettipants	63.0	66.4	- 5.1
Slips, vests & undershirts	30.4	33.1	- 8.2
Nightwear, excluding robes			
Girls', children's, infants' toddlers'	157.1	134.3	+ 17.0
Nightgowns	69.1	65.4	+ 5.7
Pajamas, including heavyweight sleeping garments made with feet	88.0	68.9	+ 27.7
Infants' & toddlers', total	240.7	234.1	+ 2.8
Panties	20.3	22.5	- 9.8
Slips, vests, undershirts, etc.	59.9	51.7	+ 15.9
Nightgowns	26.0	26.8	- 3.0
Pajamas, including heavyweight sleeping garments made with feet	134.5	133.1	+ 1.1
Robes, girls', children's, infants', toddlers'	8.4	9.7	- 13.4

* The total includes only categories included in the Current Industrial Reports series on apparel, listed as the source. Not included are hosiery shipments, accessories, gloves, leather apparel, millinery and furs.

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Women's & Children's Outerwear MA-23F(85)-1

APPAREL PRODUCT SHIPMENTS

Boys' Wear

Shipments of Specified Types of Boys' Wear-1984, 1985
(Value in millions of dollars)

	1985	1984	% Change 1985/1984
Boys' wear, total of specified categories*	$1,681.0	$1,675.4	+ 0.3%
Suits, including casual & uniform	69.0	71.8	- 3.9
Overcoats, topcoats, & tailored suburban & car coats, including uniform	2.9	2.8	+ 3.6
Tailored suit-type dress & sport coats, including uniform	34.6	33.5	+ 3.3
Nontailored heavy outer jackets, except ski	38.2	34.8	+ 9.8
Nontailored light outer jackets	36.9	39.9	- 7.5
Shirts, woven including dress & uniform	81.0	71.2	+ 13.8
Sport shirts, knit except sweat shirts	411.6	446.8	- 7.9
Sweaters including sweater vests, knit cardigans & pullovers	29.7	31.7	- 6.3
Shorts, trousers, jeans & jean-cut casual slacks	752.0	724.6	+ 3.8
Separate dress & sport trousers, including uniform	94.6	91.4	+ 3.5
Jeans & dungarees	501.0	455.9	+ 9.9
Jean-cut casual slacks	116.7	139.8	- 16.5
Shorts, including athletic shorts	39.7	37.5	+ 5.9
Underwear, nightwear	225.1	218.3	+ 3.1
Pajamas & other nightwear, excluding robes	73.5	69.5	+ 5.8
Lightweight undershirts with 1/4 sleeve, excluding T-shirts made for outerwear	43.5	54.8	- 20.6
Briefs and shorts, knit	108.1	94.0	+ 15.0

(other types of underwear/nightwear are included with men's)

* The total includes only categories included in the Current Industrial Report series on apparel, listed as the source. Not included are hosiery shipments, accessories, gloves, leather apparel, hats, etc.

NOTE: The CURRENT INDUSTRIAL REPORT covers manufacturers, government contractors, and jobbers of apparel, except very small firms (generally less than five employees). Included in the CIR are garments cut in the U.S., sent outside the country to be sewn, then imported into the U.S. under the provisions of Item 807 of the Tariff Schedule. Not included are apparel items wholly made abroad and "sourced" by U.S. manufacturers.

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Men's and Boys' Outerwear, MA23E(85)-1.

APPAREL PRODUCT SHIPMENTS

Concentration of Product Shipments

The latest figures on the share of shipments of specific products accounted for by the largest manufacturers are for the year 1982, compiled in the complete Census of Manufactures conducted every five years. While there have been some consolidations within the industry, the share of market controlled by the largest knit tops manufacturers declined somewhat from the time the previous census was done in 1977. (Information on product shipment concentration for the other children's classifications was not reported in 1977.)

Share of Specified Children's Wear Product Shipments By The Largest U.S. Manufacturers: 1982

	Product Shipments (Mil. $)	% of value accounted for by largest companies			
		Top 4	Top 8	Top 20	Top 50
Girls', children's & infants' dresses & shirts					
1982	$755.4	15%	25%	46%	74%
Girls', children's & infants' knit shirts					
1982	401.7	49	62	86	99+
1977	176.1	55	73	95	100
Girls', children's & infants' coats, jackets, suits, snowsuits and coat & legging sets					
1982	171.5	41	63	92	100

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
Concentration Ratios in Manufacturing

APPAREL PRODUCER PRICE TRENDS

Producer Price Indexes For Children's Wear
(12/77 = 100 unless otherwise noted)

	Annual Averages 1986	1985	1984	% Change 1986/85
All items (1967 = 100)	299.8	308.7	310.3	- 2.9%
All apparel (1967 = 100)	206.5	204.1	201.1	+ 1.2
Boys' wear:				
Denim jeans & jean-cut casual slacks (12/81 = 100)	107.1	104.5	103.8	+ 2.5
Jeans & jean-cut casual slacks of other fabrics (12/81 = 100)	98.1	99.5	100.9	- 1.4
Work clothing, exc. jeans & work shirts (12/81 = 100)	116.4	115.3	114.6	+ 1.0
Girls', children's & infants' wear (1967 = 100)	203.9	202.7	202.8	+ 0.6
Dresses, blouses & shirts, except knit (12/84=100)	103.4	101.0	na	+ 2.4
Knit sport and sweatshirts (12/84=100)	97.2	100.2	na	- 3.0

na not available

Source: U.S. Bureau of Labor Statistics

FOREIGN TRADE: APPAREL

Imports

Figures on the penetration of imports in the total U.S. market for children's wear are not available except through purchase tracking studies based on reports from samples of U.S. households, compiled by independent research organizations. Overall, trade sources have estimated that 35% to 45% of all apparel (men's, women's and children's), based on value, are imports. The figure based on units would be higher.

A high percentage of apparel imports (as much as half) are accounted for by direct imports by retailers. The rest is brought in by apparel producers and importers. Apparel manufacturers are sourcing in the Far East, for the most part, or making use of the 807 provision of the Tariff Code which permits domestic suppliers to send goods cut in the U.S. from U.S. fabrics to be assembled and sewn in factories in the Caribbean Basin and Mexico, which are participants in the program and have lower labor costs. When shipped back to the U.S., duty need only be paid on the value added to the finished garment abroad.

Imports (continued)

The major sources of imports for apparel are in the Far East--Hong Kong, Taiwan, Korea and China. Under the Multi-Fiber Arrangement (MFA) the U.S. has negotiated bilateral agreements to try to maintain an orderly expansion or trade. Although there are many complaints of violations of agreements through transshipments, it is reported that the numerical quotas imposed have been hardest on children's wear. Import quotas are applied based on quantity, not on value. Consequently, foreign suppliers have shifted production into higher priced merchandise, using their available quota for more profitable women's and men's wear lines. Quotas are rapidly being filled.

The U.S. textile and apparel industries have launched major efforts to bring apparel production back to the U.S., even though many in these industries are themselves sourcing abroad. Industry campaigns include the Crafted with Pride in the U.S., working with retailers to promote U.S. apparel to consumers, and the Quick Response campaign to promote the domestic apparel industry's ability to fill retailers' needs quickly. Both of these efforts have met with some success. However, the textile/apparel industry is seeking greater relief through the passage of a bill by Congress to impose import restrictions by law, rather than depend on bilateral agreements. Passage of the bill does not seem to be too likely.

The devaluation of the dollar, beginning last year, has not had an impact on imports from the Far East to any extent, as the devaluation primarily affects European and Japanese currencies. It also has not yet stimulated exports of apparel to any extent, since so much production is overseas.

Based on purchase diaries maintained in a nationwide sample of 19,500 U.S. households by the NPD Purchase Panel the following figures have been reported on the percent of total purchases of children's wear items that were imports in 1985 and 1986.

Purchases of Imported Boys' and Girls' Wear Products, 1985 and 1986
(Percent of total unit purchases that are imported)

	1986	1985
Boys' wear (ages 1-16), total	18%	18%
Casual shirts	29	30
Active sportswear	26	24
Slacks	28	23
Denim jeans	18	18
Underwear	3	3
Girls' wear (ages 1-13), total	20	21
Blouses & shirts	33	30
Tee/Tank/Polo	35	30
Active sportswear	19	27
Slacks	21	24
Denim jeans	32	33
Panties	13	15
Sleepwear	9	7

Source: Kurt Salmon Associates,
Soft Goods Outlook for 1987

FOREIGN TRADE: APPAREL

Imports (continued)

The U.S. Bureau of the Census does not distinguish many classifications of girls' and boys' wear from imports reported for women's and men's wear. The following table gives the quantity and value of shipments for those items of infants' and children's wear which are separately reported.

Imports of Specified Infants' and Children's Wear Products: 1986

	Quantity (Dozens)	C.I.F. Value (Thousand $)*
INFANTS (BOYS)		
Tops:		
Tank tops		
Knit, cotton	14,104	$ 132.0
Knit, manmade	8,729	131.4
Blouses		
Knit, cotton	4,686	87.9
Knit, manmade	19,854	390.5
Not knit, cotton	20,438	657.7
T-Shirts		
Knit, cotton	1,956	78.9
Sweat shirts		
Knit, cotton	1,931	86.3
Sweaters		
Knit, cotton	2,354	376.3
Knit, manmade	31,229	1,038.4
Pants:		
Trousers & slacks		
Knit, cotton	2,162	100.5
Denim trousers		
Not knit, cotton	38,229	1,389.8
Corduroy trousers		
Not knit, cotton	6,049	150.4
Shorts		
Knit, manmade	18,423	145.8
Jogging suits		
Knit, cotton	32	7.3
Two piece playsuits		
Knit, cotton	20,930	630.6
Coats:		
Knit, manmade	19,665	765.3
Not knit, cotton	5,741	325.3

(continued)

Imports (continued)

Imports of Specified Infants' and Children's Wear Products: 1986
(continued)

	Quantity (Dozens)	C.I.F. Value (Thousand $)*
GIRLS		
Tops:		
Tank tops		
Knit, cotton	33,889	$ 558.0
Knit, manmade	30,013	585.1
Blouses		
Knit, cotton	21,146	412.2
Knit, manmade	78,472	1,831.7
Not knit, cotton	36,290	1,612.8
Pants:		
Denim trousers & slacks		
Not knit, cotton	40,726	2,087.1
Corduroy trousers		
Not knit, cotton	5,930	404.4
Coveralls		
Not knit, cotton	45,009	1,455.9
Dresses:		
Not knit, cotton	28,319	1,589.9
BOYS		
Tops:		
Dress shirts		
Not knit, cotton	81,204	2,623.8
Corduroy sport shirts		
Not knit, cotton	4,172	195.0
Sweaters		
Knit, cotton	11,742	1,231.5
Knit, manmade	424,493	19,746.8
Not knit, manmade	16,071	701.2
Pants:		
Trousers & slacks		
Knit, manmade	63,888	2,415.8
Not knit, cotton	469.363	21,464.6
Coveralls & jumpsuits		
Not knit, cotton	14,112	539.1
Overalls		
Not knit, cotton	826	41.7
Coats:		
Sport coats		
Not knit, manmade	3,941	278.0

(continued)

Imports (continued)

Imports of Specified Infants' and Children's Wear Products: 1986
(continued)

GIRLS & INFANTS	Quantity (Dozens)	C.I.F. Value (Thousand $)*
Blouses		
Not knit, cotton	59,533	$2,008.5
Skirts		
Not knit, cotton	3,966	213.2
Dresses		
Knit, cotton	9,931	298.0

* The C.I.F. value represents the value of imports at the first port of entry in the U.S. It is based on the purchase price and includes all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Bureau of the Census,
U.S. General Imports, IM 146
Dec. 1986

Exports

Value of Children's Wear Exports, 1984-1985
(In millions of dollars)

	1985(e)	1984	% Change 1985/84	Compound Annual Rate 1984/1979
Children's Dresses & Blouses (SIC 2361)	$ 9.7	$10.6	- 8.5%	+ 0.2%
Children's Coats & Suits (SIC 2363)	2.8	3.9	-28.2	+15.5

(e) estimated

Source: U.S. Department of Commerce,
International Trade Administration,
U.S. Industrial Outlook 1987

APPAREL PURCHASE PATTERNS

MRCA Information Services, through its purchase tracking studies covering a nationally representative sample of 11,500 households, has projected a 9.4% increase in consumer purchases of girls' wear in 1986 to just under $10.5 billion. Boys' wear purchases were up 7.7% for the year to $8.4 billion, according to MRCA. Much of these gains are attributed to huge increases in activewear purchases, including warm-ups, sweat shirts, sweat shorts and sweat pants. Dollar volume gain in girls' activewear purchases was 58.4% and boys' were up 30.2%.

Consumer Purchases of Girls' & Boys' Wear & Specified Items: 1985 and 1986
(Projections based on MRCA data; unit and dollar volumes in thousands)

	Projected Dollars		% Change	Projected Units		% Change
	1986	1985	1986/85	1986	1985	1986/85
Girls' wear, total	$10,499,728	$9,596,997	+ 9.4%	1,687,492	1,549,998	+ 8.9%
Dresses	1,181,979	1,119,840	+ 5.5	90,119	84,297	+ 6.9
Jeans	782,787	804,696	- 2.7	58,721	60,717	- 3.3
Swimsuits	229,908	203,780	+12.8	24,872	22,477	+10.7
Boys' wear, total	8,368,589	7,772,802	+ 7.7	1,604,399	1,498,789	+ 7.0
Shorts	335,993	228,987	+46.7	61,697	45,247	+36.4
Knit sport shirts	1,314,590	1,247,644	+ 5.4	239,395	222,552	+ 7.6

Source: MRCA Information Services,
Soft Goods Information Service Reports, April 1987
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The increased concentration of retail power due to recent mergers has sharpened competition at the retail level. Some market sources say that retailers no longer can build their stock on a single best selling item but must stock a diverse selection of merchandise with an eye toward fashion rather than basics. Manufacturers welcome the current move among retailers to achieve a better balance between private label items and branded merchandise.

Data from Kurt Salmon Associates, based on retail purchase tracking by National Panel Diary, forecasts a 1% gain in unit purchases of girls' wear and a 2% gain in boys' wear for 1987. Sales of active sportswear for both girls and boys is expected to continue growing at retail, with fleece products maintaining wide popularity.

Year-to-Year Changes in Purchases of Girls' & Boys' Wear: 1983-1987
(Percent change in units purchased)

	Projected	Estimated	Actual	
	1987/86	1986/85	1985/84	1984/83
Girls' wear (ages 1-13), reported total	+ 1.0%	+ 2.0%	- 3.0%	- 5.0%
Blouses & shirts	+ 2.0	+ 8.0	- 1.0	0
Tee/tank/polo shirts	0	- 2.0	-14.0	- 3.0
Active sportswear	+10.0	+48.0	+ 3.0	+23.0
Slacks	+ 5.0	+18.0	+ 6.0	+ 6.0
Denim jeans	- 5.0	-10.0	0	-17.0
Panties	- 2.0	- 3.0	- 4.0	+ 4.0
Sleepwear	- 4.0	-11.0	- 5.0	+ 5.0

(continued)

Year-to-Year Changes in Purchases of Girls' & Boys' Wear: 1983-1987
(Percent change in units purchased)
(continued)

	Projected	Estimated	Actual	
	1987/86	1986/85	1985/84	1984/83
Boys' wear (ages 1-16), reported total	+ 2.0%	- 3.0%	+ 6.0%	0
Casual shirts	+ 2.0	+ 5.0	+ 7.0	- 3.0%
Active sportswear	+ 5.0	+24.0	+ 9.0	+17.0
Slacks	- 2.0	- 3.0	0	+14.0
Denim jeans	0	+ 2.0	+ 6.0	-12.0
Underwear	+ 1.0	- 6.0	+13.0	- 1.0

Source: Kurt Salmon Associates/NPD Purchase Panel,
Soft Goods Outlook for 1987,
Quarterly Newsletter (April 1987)

Retail sales in early 1987 was notable for outstanding dress sales, specifically romantic looks with lace, in soft prints. Also performing well were denim and chambray sportswear, swimwear, and overalls for infants and toddlers. Business was good across the country, with the exception of Texas and other oil-belt states. Fall fashions, based on buyer reaction at a recent children's market trade show, will feature a continuation in the trend to romantic dresses, as well as acid-wash denim looks in sportswear, more fleece in casual classifications and a greater emphasis on fashion merchandise rather than basic goods. Some boys' wear manufacturers are tapping into the recent skateboarding trend, bringing out skateboard styles that they claim will surpass the popularity of surfwear. Others feel that this style is merely a flash in the pan.

Children's and Infants' Footwear

The children's and infants' footwear market is gradually becoming dominated by athletic styles, according to the results of a purchase tracking study conducted by Kormos, Harris & Associates, Inc. The Footwear Market Index survey of 50,000 households also showed that retail sales of children's and infants' footwear tended to be most popular in discount stores, followed by family shoe chains.

The most popular girls' style segment was athletic shoes, accounting for 43.4% of all girls' pairs purchased. Dress shoes other than pumps were next with 13.9% of pairs bought, followed by sandals with 9.5%. The remainder was accounted for by casual styles, pumps, loafers, and penny mocs.

The boys' market was dominated by athletic styles -- 72.1% of all boys' shoes purchased. Dress styles had only 12.6% of the pairage and casuals had 7.7%. The athletic influence also carried over to the infants' show market, where 47.2% of all infant shoes sold fell into this classification. Dress and casual styles accounted for 41.7%.

Children's and Infants' Footwear (continued)

Year-to-Year Changes in Purchases of Children's and Infants' Non-Athletic Footwear: 1983-1987
(Percent change in pairs purchased)

	Projected 1987/86	Estimated 1986/85	Actual 1985/84	1984/83
Dress, Casual, Work & Boots:				
Girls'	0	- 6.0%	0	+ 6.0%
Boys'	- 5.0%	0	- 4.0%	+ 8.0
Infants'	+10.0	+15.0	+11.0	0

Source: Kormos, Harris and Associates,
The Footwear Market Index
(Projections by Kurt Salmon Associates)

MRCA Information Services has compiled information on patterns in purchases of infants' and children's wear. The data was developed through purchase diaries maintained by members of a nationwide sample of 11,500 households and published by the Newspaper Advertising Bureau.

Average Purchase Rate (In Units) For Boys' Wear
(Per 1,000 Households)

	Average Month	Jan.	Feb.	Mar.	April	May	June
Shirts/sweaters	252.2	148.2	134.3	190.3	188.4	186.8	261.4
Pants/slacks/shorts	98.7	28.5	54.4	85.7	120.5	131.2	181.9
Jeans	96.9	65.1	50.6	74.6	65.2	39.4	36.4
Underwear	176.2	113.0	80.8	127.3	87.4	86.8	152.6
Pajamas/robes	23.2	15.9	9.5	10.4	10.7	9.7	17.1
Sport coats/suits	4.2	2.2	4.2	8.6	16.2	2.8	3.9
Coats/raincoats	27.2	25.6	26.5	24.2	22.0	18.0	8.2
Swimwear/sweats	49.4	26.1	22.7	29.3	38.0	47.9	69.5
Infant wear	410.4	297.9	275.8	427.0	390.1	387.7	382.5

	July	Aug.	Sept.	Oct.	Nov.	Dec.
Shirts/sweaters	251.5	469.1	249.7	203.6	285.5	458.2
Pants/slacks/shorts	108.9	154.0	106.9	50.0	59.2	103.4
Jeans	119.1	302.6	140.3	58.0	66.0	145.0
Underwear	187.7	419.7	245.3	138.6	155.3	319.5
Pajamas/robes	8.2	17.0	23.3	29.4	50.9	76.7
Sport coats/suits	1.7	2.6	1.5	2.7	2.4	4.0
Coats/raincoats	13.8	30.2	28.5	31.8	42.5	55.0
Swimwear/sweats	33.8	59.8	52.2	40.7	56.7	116.0
Infant wear	322.2	406.4	513.4	440.3	407.9	673.5

(continued)

APPAREL PURCHASE PATTERNS

Average Purchase Rate (In Units) For Girls' Wear
(Per 1,000 Households)

	Average Month	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Blouses/sweaters	264.0	178.5	162.8	209.8	190.5	180.1	255.1	283.9	483.6	301.9	203.9	279.4	439.4
Pants/slacks/shorts	97.8	38.7	40.7	96.1	104.8	145.7	177.3	154.5	155.3	76.2	46.3	55.5	82.3
Jeans	63.7	38.7	39.4	49.1	33.0	30.5	27.7	70.1	188.8	97.2	49.7	57.9	92.0
Dresses/suits/skirts	80.2	34.4	49.8	82.3	121.4	58.5	77.0	79.4	136.9	93.9	46.1	62.3	119.8
Coats/raincoats	16.4	12.1	16.1	15.5	13.1	8.0	9.0	9.8	20.6	23.5	22.0	21.2	25.9
Panties	120.0	68.9	60.4	75.2	88.7	81.8	136.7	163.2	307.7	150.7	60.7	82.0	163.8
Slips/lingerie	24.2	19.4	14.6	13.4	28.5	8.3	13.2	22.2	26.7	36.0	26.0	26.8	55.2
Nightgowns/robes	21.6	14.9	8.9	16.6	12.4	14.9	25.6	11.4	15.3	17.8	26.5	36.2	58.6
Swimwear/sweats	47.2	29.3	25.8	35.4	43.0	59.2	92.5	52.5	47.0	32.2	27.3	46.3	75.9
Infant wear	428.3	326.1	349.7	453.8	444.4	375.6	391.4	354.9	375.0	549.4	389.3	442.7	687.3

Source: MRCA Information Services, 1984
1987 Newspaper Advertising Planbook
(Newspaper Advertising Bureau)

APPAREL SALES BY STORE TYPE

Data on sales of children's wear purchased in major retail outlet types was developed by the U.S. Bureau of the Census in its complete Census of Retail Trade. This census, compiled every five years (most recently in 1982) is the only official data on merchandise line sales by type of retail outlet.

Department stores accounted for 67.5% of reported children's wear sales in major outlets. As defined by the Census Bureau, "department stores" consists of three components: conventional department stores, discounters/mass merchandisers, and department stores operated by national chains such as Sears and Penney. The latter two groups account for a major share of children's wear business.

The Census of Retail Trade does not include a breakdown on how much children's wear business was done by each of these department store operations in 1982. However, there is a breakdown on total store sales for the year: conventional accounted for 32.0%; discount/mass merchandisers, 39.1%; national chains, 38.9%. The mass merchandiser/discounter department stores (which represented 76% of all department store establishments and 68% of department store sales in 1982), have probably increased their shares since the census was compiled.

Infants', Boys' & Girls' Wear Sales Reported For Key Outlet Types: 1982

	Number of Establishments**	Sales Thous. $	Sales %
Children's wear, reported total*	31,666	$6,412,810	100.0%
Department stores***	9,889	4,328,422	67.5
Children's wear stores	5,325	926,734	14.5
Family clothing stores	9,854	763,328	11.9
Women's ready-to-wear stores	5,915	372,584	5.8
Women's accessory & specialty stores	286	13,316	0.2
Men's wear stores	397	8,426	0.1

* Includes boy/girl infants' and toddlers' (including footwear), girls' (sizes 3-14) and subteen (sizes 6-16) clothing and accessories.

** Each business location is counted as a separate establishment (store), including each unit in a multiunit retail operation. Only stores with payroll are included.

***See store description in the commentary preceding the table

Source: U.S. Bureau of the Census: 1982 Census of Retail Trade, Merchandise Line Sales

A report including estimated children's wear sales by store type is the Soft Goods Outlook by Kurt Salmon Associates. Dollar expenditures for the first nine months of 1986 based on purchase panel data compiled by NPD show chains and discounters accounting for 52% of children's wear purchases. Department and specialty stores had 39% of the market and the remaining 9% was in "other" store types, including off-price, factory outlets and variety stores, according to purchase diaries maintained by a representative sample of U.S. households.

Boys' Wear

Information on sales of boys' wear has been reported by the Census Bureau for key store types. This classification covers boys' (sizes 2 to 16), young men's (sizes 13 to 20) and students' (sizes 32 to 44) clothing and accessories. Sales of this merchandise in key outlets was reported to be $4.6 billion in 1982.

Boys' Wear Sales Reported For Key Outlet Types: 1982

	Number of Establishments	Sales Thous. $	Sales %
Boys' wear, reported total	31,878	$4,596,820	100.0%
Department stores*	9,835	3,205,886	69.7
Family clothing stores	12,516	669,737	14.6
Children's wear stores	3,446	323,285	7.0
Men's wear stores	4,288	310,843	6.8
Women's wear stores	1,793	87,069	1.9

Note: Data on infants' and toddlers' wear for boys is combined with girls' wear and is not included in the boys' wear classification above.

*See explanation page 41

Source: U.S. Bureau of the Census: 1982 Census of Retail Trade, Merchandise Line Sales

APPAREL SALES BY STORE TYPE

Infants' Wear

As reported by The Discount Merchandiser in its May 1986 issue, infants' wear sales in discount stores totaled $1.9 billion in 1985, accounting for 2.8% of total discount store sales. Boys' wear sales were $1.7 billion and girls' wear $1.6 billion, 2.5% and 2.4% of the total in this store type, respectively. All types of apparel were 32% of discount store volume. A breakdown of infants' wear sales for major store types, as reported in this publication, are below.

Infants' Wear Sales By Store Type, 1985

	Sales (Thous. $)	% of Total Infants' Wear	% of Total Sales For Each Store Type
Discount stores*	$1,888,000	39.7%	2.8%
Department stores	1,216,000	25.6	2.1
Children's & infants' wear stores	926,000	19.5	45.0
Family apparel stores	406,000	6.7	3.2
Women's ready-to-wear stores	321,000	6.7	1.6

* Includes stores classified as "department stores" by the U.S. Census Bureau

Source: The Discount Merchandiser (May 1986)

Children's Wear Stores

According to the 1982 Census of Retail Trade, there were 5,325 children's wear stores reporting sales that year totaling $1.4 billion. Of this amount, 68.3% was from the sales of infants', toddlers' and girls' wear (except footwear). This represented 14.5% of total children's wear sales by major outlet types.

Retail Sales In Children's Wear Stores, 1982

	Establishments		Amount (Thous. $)	% of total store sales
	Number	%		
Children's & infants' wear stores, total	5,325	100.0%	$1,356,029	100.0%
Infants', toddlers', girls' wear, except footwear	5,325	100.0	926,734	68.3
Children's footwear	442	8.3	9,294	0.7
Furniture & related products	310	5.8	6,119	0.5
Boys' wear	3,446	64.7	323,285	23.8
Other merchandise	--	--	90,597	6.7

Source: U.S. Bureau of the Census: 1982 Census of Retail Trade, Merchandise Line Sales

APPAREL SALES BY STORE TYPE

Children's Wear Stores

In 1982, 181 firms operating children's/infants' wear stores had sales of $1.0 million or more. They represented 4.3% of the firms, 15.2% of the stores, and accounted for 41.8% of sales.

On a store basis, only 166 stores (out of a total of 4,943 in 1982) had a volume of $1.0 million or more. Their sales share has not been published by the Census Bureau in order to avoid disclosure of individual operations, but it is in excess of 20%, compared with the 7.7% sales share held by stores of this size in 1977.

Though no counts are available, it is known that the number of specialized children's wear outlets has increased rapidly in recent years to capture the growing affluent market for children's items.

Children's Wear Store Firms by Size of Firms: 1977, 1982
(Retail establishments with payroll)

			% of Total					
	No. of Firms		Firms		Stores		Sales	
	1982	1977(e)	1982	1977(e)	1982	1977(e)	1982	1977
Total	4,145*	3,915	100.0	100.0	100.0	100.0	100.0	100.0
Annual sales of firms:								
$1.0 million or more	181	74	4.3	1.9	15.2	6.0	41.8	20.5
Less than $1.0 million	3,964	3,841	95.6	98.1	84.7	94.0	58.2	79.5

(e) estimated for comparability with 1982
* Firms in operation the entire year (There were 4,450 firms in operation anytime during the year)

Source: U.S. Bureau of the Census:
1982 Census of Retail Trade

Specialty stores remain very important to the fashion oriented girls' wear consumer. According to MRCA Information Services, they accounted for 19% of dollar volume and 11% of unit volume in 1986. Tops and bottoms were 70% of these purchases. Specialty stores accounted for 7% of total boys' wear volume during the year. Off-price outlets increased their share of children's wear purchases significantly in 1986, according to MRCA, to 5.1% of dollar volume and 4.6% of unit volume.

STORE OPERATIONS

Department Stores: Operating Results

The National Retail Merchants Association (NRMA) compiles an annual report on operating results in department stores. The most recent figures cover typical (median) results based on stores' reports covering 1985.

Department Stores: Operating Results (continued)

Merchandising & Operating Results of Infants' & Children's Clothing In Department Stores With Total Sales Over $1 Million, 1985

(Median results)

	Infants' & Children's Clothing Total (85)*	Girls' (4-6X, 7-14) Clothing (83)*	Boys' (4-7) Clothing (77)*
Net sales, % change from last year	+ 2.6%	+ 2.7%	+ 1.0%
Sales, % of total store sales	5.8	2.6	0.7
$ sales per square foot of selling space (main or largest selling unit)	$105.8	$114.1	$104.9
Cumulative markon, %	50.8	51.4	50.8
Gross margin, % of sales (incl. cash discounts)	42.4	42.3	40.3
Advertising, % of net sales	3.3	3.4	3.1
Selling salaries, % of net sales	7.7	7.8	7.6
Number of stock turns (times)	3.0	3.1	2.9

* Number in parentheses refer to the number of companies reporting in each category

Source: National Retail Merchants Association, Merchandising and Operating Results of 1985 (1986 Edition)

Self-Service Discount Department Stores: Operating Results

Operating performance indicators for children's wear departments in self-service discount department stores are contained in a report sponsored by the National Mass Retailing Institute and conducted by Cornell University. The study is based on confidential financial and operating information for the fiscal year 1985-86 provided by a total of 27 firms operating 3,162 stores with aggregate sales of $27.1 billion.

Merchandising & Operating Results of Girls', Boys' & Infants' Wear Departments In Self-Service Discount Department Stores, 1985-86

	Girls' Wear	Boys' Wear	Infants' Wear
Departmental stockturns - Number of stockturns	4.4	3.8	4.2
Cumulative markup - Percent of original retail	44.9	42.7	35.7
Stock shortage at retail - Percent of owned dept. sales	1.0	1.2	1.1
Markdown at retail - Percent of owned dept. sales	16.2	16.4	12.0
Gross margin - Percent of owned dept. sales	35.3	33.3	27.5

Source: National Mass Retailing Institute

APPAREL RETAIL ADVERTISING

Newspaper advertising for children's wear is highest in August (Back-to-School) and December (Christmas). In addition, advertising of girls' & teens' dresses and boys' outer apparel is heavy in March (Spring purchases). This data is compiled by the Advertising Checking Bureau.

Percent of Total Newspaper Advertising Linage For
Children's Wear Done Each Mongh

	Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Boys' outer apparel	100%	3.0	6.5	12.1	8.1	3.0	1.5	6.8	28.2	5.6	8.3	8.0	8.9
Girls' sportswear and accessories	100%	4.0	6.6	7.3	6.8	7.9	4.6	8.7	23.3	6.0	7.2	8.0	9.6
Girls' & Teens' dresses	100%	2.2	2.8	22.9	15.4	8.1	2.5	5.2	19.8	2.8	2.5	4.6	11.2

Among the leading advertisers in major consumer magazines in 1986 for children's sportswear were Esprit, Oshkosh B'Gosh, Carter's, Spencer's, and Levi and Lee Jeans. In wearing apparel, Health-Tex and Baby Togs had large expenditures. In sleep- wear, Carter's and Spencer's were leaders. In underclothing for children, Carter's, Fruit of the Loom, and Hanes spent the most in magazines.

APPAREL CONSUMER PRICE TRENDS

Consumer Price Indexes For Children's Wear
(Dec. 1977 = 100, unless otherwise indicated)

	Annual Averages			% Change
	1986	1985	1984	1986/1985
All items (1967=100)	328.4	322.2	311.1	+ 1.9%
All apparel commodities (1967=100)	192.0	191.6	187.0	+ 0.2
Boys' apparel	128.7	128.2	125.1	+ 0.4
Coats, jackets, sweaters, & shirts	123.9	123.9	122.0	--
Furnishings	142.6	140.5	136.9	+ 1.5
Suits, trousers, sport coats & jackets	126.9	126.7	122.9	+ 0.2
Girls' apparel	109.9	111.2	108.1	- 1.2
Coats, jackets, dresses, & suits	98.0	103.4	100.7	- 5.2
Separates & sportswear	107.0	106.6	103.6	+ 0.4
Underwear, nightwear, hosiery & accessories	134.6	132.6	128.7	+ 1.5
Infants' & toddlers' apparel (1967 = 100)	312.7	299.7	287.0	+ 4.3

Source: U.S. Department of Labor,
Bureau of Labor Statistics

Market Trends

The proliferation of affluent first-time parents has certainly caught the attention of manufacturers and retailers and has led to an outpouring of new juvenile products in the marketplace. It is well known that the biggest expenditures are on first babies and many parents, now more than ever, have the discretionary income to spend on other than necessities. Their search for both quality and chic, as well as peer pressure, prompts them to spend as much as $10,000 in their baby's first year.

Cribs/Strollers, etc.

Marketers of such first-year necessities as cribs, strollers, car seats, diapers, infant toys and safety gates have seized the initiative to establish brand loyalty early with extensive prenatal marketing efforts. They use prenatal publications, direct mail campaigns, and sampling programs to reach expectant parents, no longer relying on word of mouth as has been done in the past. Parents are expressing greater interest in preparing themselves before birth and a recent survey shows that, in fact, three out of four purchasing decisions on infant items and brands have already been made before the baby comes home from the hospital. Parents attending childbirth classes are likely targets for kits of product samples, while some companies choose to market through pediatricians and, as the last prenatal sell, in the hospital.

What these expectant parents end up purchasing, either before or after birth, will more likely than ever be either an imported product or a licensed product. In the case of strollers, low-end merchandise imported from Taiwan and Korea has led to intense price competition, with the few remaining domestic manufacturers finding it increasingly difficult to make a profit. The high end is also dominated by imports, including such style leaders as Aprica, Perego and Maclaren. In cribs, Lewis of London, a privately held chain of baby boutiques, has grown rapidly as a result of its decision to focus on upscale parents.

Toys/Dolls

Imports of all toys, not just for infants, dominate the industry. High levels of imports from the Far East, particularly Hong Kong, South Korea and Taiwan, have prompted the U.S. Government to reconsider the tariff trade preferences that these countries have enjoyed. In addition, fabric covered stuffed toys were originally included in the textile and apparel trade bill passed by the House of Representatives in 1986. Textile leaders in the U.S. would like these products to become a new category under the Multi Fiber Arrangement.

The glut of imports, however, is not the sole cause of problems for the U.S. industry. Declines in domestic production reflect the inability of the industry to develop substitutes for the excitement-generating products of recent years. After the phenomenal success of Cabbage Patch Dolls (Coleco) and Teddy Ruxpin (Worlds of Wonder), there were no comparable blockbusters in 1986. The toy industry is racing to deliver a new generation of interactive toys that can communicate electronically with specially created television programs, enabling children to shoot their weapons at onscreen characters. In a rather unusual licensing agreement, two of the most popular toys in the country are joining forces. Worlds of Wonder, the maker of a laser tag gun that produces an electronic sound when it hits a target, will market this product bearing the highly popular G.I. Joe name. Worlds of Wonder will give Hasbro an estimated 5 to 7% of the retail sales price for the right to use the name.

(continued)

Toys/Dolls (continued)

More than half of all toys sold last year were licensed products. Some industry members feel that there are simply too many, the direct result of licensors holding onto characters that are past their prime. The short attention span of children keeps even some of the most popular licensed characters in the spotlight for no more than a year or two. During that time, the licensors try to create total environments with their characters, covering the range of juvenile products from bedding to tabletop, etc. The juvenile tabletop market, for example, has accelerated dramatically in the past few years, marked by fierce competition at both department and mass merchant levels. Manufacturers have turned increasingly toward licensing to afford their products instant recognition in getting them noticed on crowded store shelves.

In a new attempt at filling an old children's store niche, Waldenbooks unveiled four Waldenkids stores in April 1987, selling books, educational toys and games in an interactive atmosphere. Billed as a "Creative Center for Children," these stores, and the 40 or so more to be opened by the end of the year, will be situated only in upscale shopping malls, "aimed at parents whose kids are taking ballet lessons at age 4." The stores will feature video monitors, computer games, book readings and puppet shows. Waldenbooks, a subsidiary of K mart, feels that Toys "R" Us, with its heavy discounting and F.A.O. Schwarz, with more of an appeal to gift-giving adults, will not be direct competitors of Waldenkids.

JUVENILE PRODUCT SHIPMENTS

Baby Carriages and Children's Vehicles

Product shipments of baby carriages and children's vehicles were valued at $310.2 million in 1985, down 0.4% from 1984. The 1985 Annual Survey of Manufactures does not provide a breakdown by type of carriage/vehicle. The most detailed breakdown is contained in the 1982 Census of Manufactures. In the following table, shipments are compared with totals from the prior census.

Value of Shipments of Baby Carriages and Children's Vehicles
By All U.S. Manufacturers, 1982
(In millions of dollars)

	1982	1977
Baby carriages and children's vehicles, except bicycles, total	$ 315.1	$ 211.2
Baby carriages, including combination carriage-strollers	20.4	37.4
Strollers	33.0	
Children's automobiles and tractors (pedal driven)	*	14.5
Tricycles, including pedal and chain driven	53.3	77.4
Other children's vehicles, including scooters, sidewalk cycles, wagon's, sleds, etc.	187.6	77.1
Parts for children's vehicles, sold separately	20.3	
Baby carriages and children's vehicles n.s.k.	0.5	4.8

n.s.k. not specified by kind

* In 1982, this was included with "Other children's vehicles"

Source: U.S. Bureau of the Census,
1982 Census of Manufactures MC82-I-39B

JUVENILE PRODUCT SHIPMENTS

Infants' and Children's Wood Furniture

The value of shipments by domestic manufacturers of infants' and children's wood furniture reached $321.1 million in 1985, according to data from the Annual Survey of Manufactures. This is an increase of 13.2% from the 1984 total of $283.6 million. A breakdown by type is contained in the 1982 Census of Manufactures and is compared with data from the 1977 census below.

Value of Shipments of Infants' and Children's Wood Furniture
(Value in millions of dollars)

	1982	1977
Infants' and children's wood furniture, total	$158.8	$118.8
Cribs, including springs sold as part of the crib	74.8	47.7
Other infants' and children's furniture (chairs, tables, wardrobes, cradles, youth beds, chests of drawers, baby baths, nursery seats and chairs, high chairs and combination of feeding chair tables, play yards and play pens, etc.	83.8	59.3
Infants' and children's wood furniture, n.s.k.	0.1	11.8

n.s.k. not specified by kind

Source: U.S. Bureau of the Census,
1982 Census of Manufactures

JUVENILE PRODUCT PURCHASE PATTERNS

First Year Expenditures

Although estimates vary widely, an informal survey of the child care market (Wall Street Journal, April 16, 1986) shows that most new parents should expect to spend about $3,000 to $5,000 in their child's first year. A few luxuries can push this cost closer to $10,000.

The basic necessities include a crib with bumpers, highchair, car seat, stroller, dresser, changing table, diaper pail, infant seat and infant carrier. An explosion in the number of baby products and a certain self-consciousness by parents in showing others how they are providing for their offspring means that parents probably choose from among more discretionary goods than at any time in the past.

First Year Expenditures (continued)

A survey conducted by Burgoyne Inc., Cincinnati (Advertising Age, August 18, 1986) shows that today's parents prepare more for the baby's arrival than ever before. It reports that three out of four purchasing decisions for baby goods are made before the baby comes home from the hospital, including disposable diapers, cribs and car seats.

- Average First Year Expenditures on Babies (Including Gifts) For Selected Products

Nursery furnishings	$710
Disposable diapers	624
Formula (6 mos.)	532
Clothing	410
Camera & film processing	275
Baby food (6 mos.)	273

Source: American Baby Inc.

Strollers

An increasingly competitive stroller market, fueled by an oversupply of low-end imported merchandise from Taiwan and Korea, has led to widespread price slashing that is expected to be as intense in 1987 as in 1986, if not more so. An overall maturing of the juvenile products market, with a leveling off in volume, has prompted stroller manufacturers to cut prices just to gain market share.

The low-end of the stroller market, which accounts for the most volume, has been hardest hit by pricing pressures. The few remaining domestic manufacturers of strollers are being priced out of the market by imports from the Far East, which account for about 80% of the total U.S. market, most of them retailing for under $100. One domestic manufacturer, Gerico Inc., now sells only portable strollers and has begun importing middle-price strollers from the Orient instead.

Style leaders like Aprica, Maclaren and Perego, whose strollers retail for above $100, are less affected by the reported price wars, though they do cite increasing competitive pressures in major markets. The high-end is more stable because it is more style and quality driven than price conscious. In fact, Aprica's prices actually increased last year, a victim of the rise in value of the Japanese yen.

JUVENILE PRODUCT PURCHASE PATTERNS

Children's Bedding

Infant bedding (for newborns to age two) and juvenile bedding (for ages three to teens) have been steady sellers, with high unit turnover and the absence of heavy promotions experienced in other textile categories. These products are clearly the beneficiary of the increasing number of first births. Second and subsequent children often live with hand-me-downs and expenditures on them drop off dramatically. In addition, the increasing number of older mothers, with higher household incomes, is reflected in bedding sales.

Manufacturers are aware that the trend in juvenile products is toward coordinated groupings which include everything from comforters and sheets to wall hangings and diaper bags, encouraging multiple sales. Several manufacturers and retailers are setting their sights on a slightly older market by offering twin products. Besides being necessities for mothers who are setting up nurseries and children's rooms, children's textiles are of particular appeal to gift-givers, too. By one estimate, about 73% of crib comforters are bought as gifts.

The bulk of children's bedding purchases are in mass merchandisers and chain stores, with mass merchants accounting for more than 80% of sales. The balance is sold through department stores and specialty stores.

Tabletop

Tabletop manufacturers have been expanding existing lines and introducing new ones to take advantage of the highly lucrative juvenile tabletop market. Success by the market leaders in recent years has led many other manufacturers to join the fray.

The two key terms in juvenile tabletop marketing are coordination and licensing. Manufacturers are expanding the market with coordinated looks that go well beyond the standard three piece dinnerware and flatware sets. One market leader, Anacapa, has broadened its line by adding lunch boxes, umbrellas, tablecloths and toothbrushes/toothbrush holders. All these products have the same pattern and/or licensed characters. Other manufacturers have brought out matching clocks, storage buckets, bed trays, and placemats.

With competition at both department stores and mass merchants fierce, licensing of popular characters has taken on increasing importance as resources try to set their entries apart from the rest. Licensing, which has been a staple in other juvenile segments, affords tabletop products instant recognition, a valuable commodity considering the present lack of brand name appeal in juvenile tabletop.

The key to successful character licensing is to link with a character that has lasting popularity. Several juvenile tabletop manufacturers are licensing at least one still popular fictional character. Peter Pan Industries owns the rights to Sesame Street; The Walter Fleisher Company produces Disney characters in malamine; Deka Plastics holds the rights to Muppet babies and Care Bears.

GENERAL INDUSTRY STATISTICS: TOYS/DOLLS

A complete census of manufacturers in the U.S. is compiled every five years by the U.S. Bureau of the Census. Data from the most recent census covering 1982 and data from the 1983-1985 Annual Surveys of Manufactures shows the recent declines in the industry that have carried over into 1986 and 1987. These declines reflect the inability of the industry to develop substitutes for the excitement, generating products of previous years. This has resulted in increased inventories being carried over from one year to the next. The current glut in the market, as well as increasing competition from imports, continue to reduce employment in the industry.

Toys, Games and Children's Vehicles (SIC 3944*)

	1985	1984	1983	1982	% Change 1985/84
Number of companies	na	na	na	732	--
Number of establishments, total**	na	700	760	780	--
Number with 20 or more employees	na	221	235	253	--
Employees, total (thous.)	27.6	33.5	43.9	43.8	-17.6%
Production workers (thous.)	20.6	26.1	34.4	32.2	-21.1
Payroll (mil. $)	$ 462.5	$ 530.9	$ 565.6	$625.0	-12.9
Value added by manufacture# (mil. $)	1,714.8	2,120.5	1,980.0	2,622.6	-19.1
Value of industry shipments## (mil. $)	3,323.7	4,020.2	3,552.8	4,476.0	-17.3
Capital expenditures, new (mil. $)	68.2	66.6	99.8	111.5	+ 2.4
Machinery and equipment (mil. $)	na	na	na	84.0	--

Dollas (SIC 3942*)

	1985	1984	1983	1982	% Change 1985/84
Number of companies	na	na	na	232	--
Number of establishments, total**	na	220	221	236	--
Number with 20 or more employees	na	65	60	70	--
Employees, total (thous.)	3.5	6.4	7.7	7.1	-45.3%
Production workers (thous.)	2.4	5.1	5.5	5.7	-52.9
Payroll (mil. $)	$ 52.4	$ 89.7	$ 103.1	$ 84.7	-41.6
Value added by manufacture# (mil. $)	231.3	312.6	335.7	208.1	-26.0
Value of industry shipments## (mil. $)	496.0	614.9	595.1	396.3	-19.3
Capital expenditures, new (mil. $)	16.2	na	na	7.1	--
Machinery and equipment (mil. $)	na	na	na	3.4	--

na not available

* Manufacturers are classified by industry under the Standard Industrial Classification (SIC) system determined by the principal product made, shown below:

SIC 3944 includes establishments engaged in manufacturing games and game sets for adults and children as well as mechanical and nonmechanical toys excluding bicycles.

SIC 3942 covers establishments primarily engaged in the manufacture of dolls, doll parts and doll clothing. Establishments primarily engaged in manufacturing stuffed toy animals are also included in this industry.

(footnotes continued)

(footnotes continued)

** Covers manufacturing establishments (plants) only, and each location is separately counted. Figures for 1984 are from County Business Patterns, U.S. Bureau of the Census.

# Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

## The value of industry shipments includes both primary and secondary products made by manufacturers in the industry, as well as receipts for contract work and miscellaneous receipts. The value of primary products made in this industry, as well as the value of these products made by secondary producers is covered in the Value of Shipments section of this Fact File.

Source: U.S. Bureau of the Census,
1985, 1984, 1983 Annual Survey of Manufactures
1982 Census of Manufactures

Industry Shipments

Data reported by the International Trade Administration shows industry shipments for the doll and toys & games industries on a constant dollar basis. Projections show that, by eliminating the effects of inflation, both industries will experience declines in 1987.

Value of Industry Shipments, 1984-1987
(Value in millions of 1982 dollars)

					% Change			Compound Annual Growth Rate
	1987(e)	1986(e)	1985(e)	1984	1987/86	1986/85	1985/84	1984/79
Dolls (SIC 3942)	$ 646	$ 658	$ 666	$ 626	- 1.8%	- 1.2%	+ 6.5%	+ 8.4%
Toys & Games (SIC 3944)	3,737	4,001	4,037	3,958	- 6.6	- 0.9	+ 2.0	- 2.1

(e) estimated

Source: U.S. Department of Commerce,
International Trade Administration:
1987 U.S. Industrial Outlook

GENERAL INDUSTRY STATISTICS: TOYS/DOLLS

Employment & Earnings

Strong competition from imports and the continued movement of domestic manufacturers to offshore sites contributed to reduced employment in the toy industry in 1986. Total employment fell about 2%. On the plus side, the movement of companies offshore helped create more jobs in jobs peripheral to toy manufacturing, such as licensing and marketing.

Employment & Earnings in the Toy Industry

	Annual Averages 1986	1985	1984	% Change 1986/85
Dolls, games, toys, and children's vehicles (SIC 3942,4):				
All employees (thous.)	44.1	45.0	52.9	- 2.0%
Production workers (thous.)	31.2	31.8	38.2	- 1.9
Avg. weekly earnings	$268.32	$246.65	$238.46	- 8.8
Avg. weekly hours	39.0	38.6	38.9	+ 1.0
Avg. hourly earnings	$ 6.88	$ 6.39	$ 6.13	+ 7.7

* For definition of SIC codes, see page 5

Source: U.S. Bureau of Labor Statistics, Employment & Earnings

In 1986, there were numerous mergers and acquisitions in the toy industry as manufacturers tried to obtain market share in the face of rising imports and the lack of new "hot" products. Coleco, which has seen its Cabbage Patch sales dwindle, purchased Selchow & Righter, which developed Trivial Pursuit. In a move indicative of things to come, Mattel announced its intention to acquire Arco Industries, an independent Hong Kong exporter.

Leading States

New York is the leading state nationally in the production of both dolls and toys. California, home state of Dakin and Mattel, is a close second in value added and the leading state in number of plants producing toys.

Industry Statistics For Leading States

	All Plants		Employees		Value Added By Manufacture	
	Total	With 20+ Employees	No. (thous.)	% of Total	Mil. $	% of Total
Dolls (SIC 3942),						
U.S. total	236	70	7.1	100.0%	$208.1	100.0%
Leading states:	115	44	4.8	67.6	164.3	79.0
New York	88	32	3.1	43.7	81.2	39.0
New Jersey	12	7	1.2	16.9	65.8	31.6
California	15	5	0.5	7.0	17.3	8.3

(continued)

Industry Statistics For Leading States
(continued)

	All Plants		Employees		Value Added By Manufacture	
	Total	With 20+ Employees	No. (thous.)	% of Total	Mil. $	% of Total
Games, toys and children's vehicles (SIC 3944), U.S. total	780	253	43.8	100.0%	$2,622.6	100.0%
Leading states:	371	131	23.3	53.2	1,431.5	54.6
New York	109	42	7.9	18.0	446.0	17.0
California	125	30	4.2	9.6	418.8	16.0
Ohio	33	14	2.6	5.9	254.1	9.7
New Jersey	50	24	4.5	10.3	160.2	6.1
Illinois	54	21	4.1	9.4	152.4	5.8

Source: U.S. Bureau of the Census,
1982 Census of Manufactures

TOYS/DOLLS PRODUCT SHIPMENTS

The value of product shipments covers the total value of shipments of specified items by all U.S. manufacturers, regardless of industry classification based on primary products. This is in contrast with "industry shipments" covered at the beginning of this section.

Data on product shipments of toys by domestic manufacturers is covered in the 1985 Annual Survey of Manufactures. The downward trend in toy shipments represents the absence of new blockbusters. Manufacturers are trying to capitalize on previous successes, such as the enormous popularity of Coleco's Cabbage Patch Dolls, which dominated the marketplace in 1984.

Value of Shipments By All U.S. Producers Of Specified Categories of Toys, 1982-1985

	Millions of Dollars				% Change
	1985	1984	1983	1982	1985/84
Dolls and stuffed toy animals (SIC 3942)	$ 309.0	$ 612.5	$ 554.2	$ 523.6	- 49.6%
Games, toys, and children's vehicles (SIC 3944)	2,752.7	3,167.5	3,199.9	3,976.9	- 13.1
Baby carriages and children's vehicles, except bicycles	310.2	311.3	356.8	315.1	- 0.4
Toys, excluding games, hobbies, and electronic toys	1,310.7	1,430.6	1,361.4	1,329.5	- 8.4
Hobbies and models	363.9	389.6	429.2	377.0	- 6.6
Nonelectronic games	489.5	763.6	447.9	399.1	- 35.9
Electronic games and toys	103.8	125.2	390.4	1,347.8	- 17.1
Games, toys, and children's vehicles n.s.k.	174.7	147.1	214.1	208.5	+ 18.8

n.s.k. not specified by kind

Source: U.S. Bureau of the Census,
1985 Annual Survey of Manufactures

TOYS/DOLLS PRODUCT SHIPMENTS

Data compiled by The NPD Group, in conjunction with Toy Manufacturers of America, details product shipments by both U.S. manufacturers and foreign sources. Imports make up the bulk of toy shipments, as discussed in the section on Foreign Trade (page 59).

In addition, many domestic producers supplement their U.S. operations by contract manufacturing operations overseas. Others own factories outright in both the Far East and Europe. The dollar volume figures below are the first billing value; in other words, the first price paid for an item in the U.S.

Total manufacturers' shipments were a projected $8.8 billion in 1986, up 1.5% from 1985. In terms of quantity, shipments fell 2.5% for the year to 1.9 billion units. The biggest increase in shipment value during 1986 was in plush, particularly electronic and musical plush. Electronic game shipments rose nearly 62% in quantity. Robots and baby dolls fell substantially in shipments, in both their value and quantity.

Product Shipments of Toys By Category, 1985 and 1986
(Value and quantity in millions)

	Value of shipments		Quantity	
	1986	1985	1986	1985
Toy industry, total	$8,810	$8,684	1,945	1,995
Action figures/dolls & accessories	2,193	3,128	360	512
Robots	244	726	49	106
Action figures	501	487	132	143
Baby dolls	365	758	19	33
Fashion dolls	174	129	22	18
Talking dolls	71	--	1	--
Doll houses	88	70	4	12
Plush	1,062	585	123	90
Traditional plush	749	488	100	73
Electronic & musical plush	313	97	23	17
Games/Puzzles	760	611	184	157
Children's board games	86	57	17	13
Action/skill games for children	84	60	15	11
Totally Electronic Games	421	235	21	13
Riding Toys (excluding bicycles)	288	283	15	18
Plastic tricycles	59	72	5	6
Metal tricycles	28	24	1	1
Non-Riding Transportation	651	695	197	209
Art/Crafts/Models	410	375	178	177

(continued)

TOYS/DOLLS PRODUCT SHIPMENTS

Product Shipments of Toys By Category, 1985 and 1986
(Value and quantity in millions)
(continued)

	Value of shipments		Quantity	
	1986	1985	1986	1985
Miscellaneous activity toys	$ 356	$ 290	143	132
Sports/Outdoor toys	515	457	77	67
Playground equipment	135	118	3	3
Water/Sand/Pool toys	35	40	16	14
Infant/Pre-School	860	824	175	167
Infant toys	247	255	53	65
Pre-school blocks	90	50	16	9
Pre-school learning toys	55	33	8	5
Pre-school talking/sound toys	54	56	6	6
Pre-school tub toys	30	20	10	7
Pre-school push/pull toys	63	42	9	7
Pre-school playsets	54	68	4	6
Role playing toys	261	255	51	52
Remaining miscellaneous	1,033	946	421	401
Building sets/construction toys	183	189	28	25
Activity books	66	69	129	138
Educational/scientific toys	37	58	13	14

Source: The NPD Group in conjunction with
Toy Manufacturers of America

FOREIGN TRADE: TOYS/DOLLS

Imports

U.S. imports of dolls fell 3.5% for the first three quarters of 1986 in contrast with the same period in 1985. At the same time, imports of toys decreased 2.2%. For all of 1986, doll imports are expected to be about 30% lower than in 1985 with annual toy imports up a modest 10%. The slowing of imports is the result of changing consumer preferences, rather than any significant impact due to depreciation of the dollar. Demand in the U.S. for the latest "hot" items has not yet offset the loss in volume from the previous best sellers. Furthermore, the currencies of Taiwan, South Korea and Hong Kong, the largest suppliers, are roughly pegged to the U.S. dollar.

Imports (continued)

Hong Kong remains the primary source of U.S. imports of toys, models, tricks and party favors. In the third quarter of 1986, it accounted for 27% of the total. Japan, Taiwan, China and South Korea were the next largest suppliers, together accounting for another 46%. The primary suppliers of dolls and stuffed toys were South Korea, Taiwan, China and Hong Kong, which together accounted for 94% of the total.

U.S. Imports of Dolls and Toys, Three Quarters 1985, 1986 and Annual 1984, 1985

	Jan. - Sept.		% Change	Annual		% Change
	1986	1985	1986/85	1985	1984	1985/84
Dolls and stuffed toy figures of animate objects: Value (mil. $)	$ 741.5	$ 768.1	- 3.5%	$1,000.7	$ 779.6	+28.4%
Toys (except games), models, tricks, party favors: Value (mil. $)	1,050.9	1,074.9	- 2.2	1,452.6	1,019.9	+42.4
Children's vehicles (except bicycles & baby carriages): Value (mil. $)	92.4	69.2	+33.4	85.8	63.2	+35.6

Source: U.S. International Trade Commission, U.S. Trade Shifts in Selected Commodity Areas: Third Quarter 1986

In 1986, the ratio of imports to apparent consumption (U.S. domestic shipments plus imports minus exports) of dolls was approximately 56%, down from 62% in 1985. The ratio for toys was 31% in 1986 compared with 36% the year before. The U.S. Industrial Outlook (International Trade Administration) reports that further realignment of interest rates during 1987 is not expected to alter the flow of imports in these categories.

Exports

Despite a rise in U.S. exports of dolls for the first three quarters of 1986, year-end 1986 totals show an estimated decline of 13.6%. Toy exports are down an estimated 5.1% for the year. U.S. exports make up a small percentage of the total value of U.S. product shipments. In 1986, they represented 1.6% for shipments of dolls and 5.6% for toys.

FOREIGN TRADE: TOYS/DOLLS

Exports

U.S. exports of dolls and toys are declining in the face of increasing competition from Asian sources in third-country markets. Canada, the United Kingdom and Mexico were the largest U.S. export markets for toys during the third quarter of 1986, together accounting for 53% of the total.

U.S. Exports of Dolls and Toys, Three Quarters 1985, 1986 and Annual 1984, 1985

	Jan. - Sept.		% Change	Annual		% Change
	1986	1985	1986/85	1985	1984	1985/84
Dolls and stuffed toy figures of animate objects: Value (thous. $)	$7,296	$6,321	+15.4%	$8,703	$11,360	-23.4%
Toys (except games, models, tricks, party favors) Value (thous. $)	127,624	134,650	- 5.2	178,971	198,037	- 9.6
Children's vehicles (except bicycles & baby carriages): Value (thous. $)	2,252	2,036	+10.6	2,920	3,483	-16.2

Source: U.S. International Trade Commission, U.S. Trade Shifts in Selected Commodity Areas: Third Quarter 1986

TOYS/DOLLS PURCHASE PATTERNS

In the wake of slowing growth in the $12 billion toy industry, manufacturers and retailers alike are scrambling to fill the void left by products that have propelled the industry for several years. The popularity of Coleco's Cabbage Patch Dolls, which dominated consumer demand in 1984, was followed in 1985 by Masters of the Universe (Mattel) and GoBots and Pound Puppies (Tonka). Although introduced in late 1985, Teddy Ruxpin, the hot-selling talking bear from Worlds of Wonder Inc. became the most popular toy that year.

In 1986, retail sales of Cabbage Patch Dolls, which many hoped would buoy the industry until the next big item, have fallen faster than expected. They fell from their peak level of $600 million annually to about $300 million. Toy industry analysts are cautiously optimistic that electronic toys such as Teddy Ruxpin and infrared-light emitting toy guns will continue to be solid, if not overwhelming, performers. A number of retailers, however, feel that such products are prone to rapid obsolescence, perhaps recalling the financial troubles caused by the decline of video toys a few years ago.

TOYS/DOLLS PURCHASE PATTERNS

Percentage of Toy Sales By Category: Year Ended June 30, 1986

	% of total
Dolls and action figures	31.6%
Games and puzzles	11.6
Preschool and infant toys	10.1
Activity toys	9.5
Toy vehicles	9.0
Riding toys	8.6
Stuffed toys	7.6
Arts and crafts	4.2
Other	7.8

Note: Children's books and video games are not included

Source: NPD Group
(*Wall Street Journal*, September 12, 1986)

Purchases By Grandparents

In the toy market, grandparents spend an average of 25 cents out of every dollar, with the bulk of their expenditures (68%) for their grandchildren. The rest is spent on craft and hobby items and board games for personal use. Parents account for 58 cents out of every dollar spent on toys, with 92% of their expenditures for their children.

Most of the money spent by grandparents (70%) are for infants, toddlers and preschoolers under six years old. They spend 22% for children from seven to ten years old and 8% for 11 to 17 year olds. In addition, the first purchases for the newborn, in the layette category, are usually made by grandparents.

Demographics show that grandparents generally have more discretionary income and fewer grandchildren to spend it on. People over 65 have the highest per capita discretionary income of any age group. Income in this age group has risen 13.5% in real terms in the past five years.

In 1950, there were 2.4 grandchildren for every grandparent. Due to a combination of rising longevity and declining birthrates, today there is only 1.2.

TOYS/DOLLS PURCHASE PATTERNS

Toy Purchases: Expenditures By Parents and Grandparents
(Percent spent on each category)

	Parents	Grandparents
Preschool	11.4%	15.7%
Arts/Crafts/Models	2.9	3.5
Activity toys	13.4	14.6
Dolls (including action figures)	26.3	25.6
Games and puzzles	7.1	7.8
Infants' toys	2.5	2.5
Vehicles (cars, trucks, trains)	9.5	12.3
Ride-ons	11.1	6.4
Electronic games	6.8	2.5
All other	9.1	9.1

Source: NPD Group
(Children's Business, February 1986)

Sales By Season

As reported by NPD Research (1987 Newspaper Advertising Planbook), the bulk of annual toy sales are concentrated in the fourth quarter of the year, with nearly 61% in November and December.

Percent of Annual Toy Sales By Month

	Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Annual toy sales	100%	3.6	2.6	3.3	4.0	3.0	3.5	4.2	3.2	4.4	7.4	19.8	41.0

Source: NPD Research,
(1987 Newspaper Advertising Planbook)

TOYS/DOLLS SALES BY STORE TYPE

Discount stores, with a 30.6% share of the retail toy market in 1985, have maintained their considerable lead over other store types in sales as the market has fallen from its huge increases of the early 1980's to more modest levels. In 1984, discount stores accounted for 30.7% of toy sales, according to Toy Manufacturers of America, and 29% the year before that.

Department stores are losing their share of the business as many stores either pare down or eliminate toy departments in the face of stiff competition for selection and price from the national toy chains. Among those phasing out their departments are Rich's, Filene's, Hecht's and Macy's California.

TOYS/DOLLS SALES BY STORE TYPE

Among those department stores keeping their toy department, and doing so in a unique way, is B. Altman's, which leased its toy department to F.A.O. Schwarz in the fall of 1986. In the process, Altman's gains the specialized buying knowledge that only Schwarz can offer and the ability to differentiate itself from other toy retailers in their market areas. Altman's strategy, as well as that of other major department store toy retailers, is to emphasize more exclusive, upper end toy items. They are not making an effort to pursue widely distributed, promotional toys since such mass market toys cannot be sold at a mark-up suitable to department stores' profit requirements.

Toys "R" Us's toy market share has grown from 5% in 1978 to about 15 1/2% in 1985. At year end 1986, there were 271 U.S. stores and its chairman sees the potential for 700 in new and existing markets. The company reported 1986 sales of $2.5 billion, up 24% over 1985.

Toy Industry Sales By Store Type, 1984-1985

	1985 Sales		1984 Sales	% Change
	Mil. $	%	Mil. $	1985/84
Total	$10,673.5	100.0%	$10,737.7	- 0.6%
Discount stores	3,266.4	30.6	3,299.9	- 1.0
Sears/Penneys/Wards	931.3	8.7	1,020.0	- 8.7
Other department stores	612.9	5.7	622.4	+ 1.5
Toy chains	1,990.1	18.6	1,917.1	+ 3.8
Other toy stores	472.1	4.4	419.7	+ 12.5
Catalog showrooms	688.2	6.4	724.4	- 5.0
Food and drug stores	692.5	6.5	669.0	+ 3.5
Variety stores	458.7	4.3	532.7	- 13.9
Other outlets	1,561.3	14.6	1,532.5	+ 1.9

Source: NPD Group/Toy Manufacturers of America
(Discount Merchandiser, February 1987)

Toy Sales For Specified Categories By Store Type, 1985
(Millions of dollars)

	Plush Toys	Action figures/ Robots	Non-powered Trucks	Baby Dolls
Total	$ 681.9	$1,448.5	$ 176.5	$655.9
Discount stores	186.7	524.8	69.0	203.2
Sears/Penneys/Wards	56.9	121.1	4.7	79.4
Other department stores	64.3	101.3	12.6	43.3
Toy chains	101.4	276.9	25.3	119.4
Other toy stores	31.1	66.4	4.9	35.5
Catalog showrooms	49.8	117.8	9.5	54.3
Food and drug stores	48.5	59.0	10.8	43.8
Variety stores	26.2	69.6	11.4	29.4
Other outlets	117.0	111.7	28.4	47.6

Source: NPD Group/Toy Manufacturers of America
(Discount Merchandiser, February 1987)

TOYS/DOLLS RETAIL ADVERTISING

As blockbuster sellers of years past fade in popularity and toy companies search for the next "hot item", there is a lot of scrambling going on by major toy marketers to gain the edge in advertising. Coleco and Hasbro, among others, are reassigning accounts, some that have been with particular advertising agencies for many years.

With the decline of its Cabbage Patch Kids dolls, Coleco reported a loss of $110 million on sales of $500 million in 1986. Compared to 1985 when Coleco spent more than $50 million on TV advertising, the company spent approximately $30 million in 1986, concentrated in the fourth quarter. The company is banking on interactive toys, such as Talking Cabbage Patch Kids and a talking ALF doll to bolster its position.

The state of the industry has also prompted retailers to adjust their advertising. Toys "R" Us, after a major review, has reassigned creative responsibility for its estimated $15 million account. Its new advertising will focus on the chain's reputation as a "children's supermarket."

Advertising expenditures in 1985 for the three leading toy advertisers are below. Each allocated more than 90% of its budget to television advertising (network and spot). Spending figures for 1986 are not available.

Leading Toy Advertisers, 1984 and 1985

	U.S. Ad Spending (Thous. $)		Advertising % of Sales	
	1985	1984	1985	1984
Hasbro Inc.	$114,849	$84,865	11.9%	15.1%
Mattel Inc.	85,092	75,983	11.1	10.9
Coleco Industries	58,347	54,405	8.2	7.7

Source: Advertising Age, November 3, 1986

Total toy industry advertising in 1985 amounted to $371.4 million, as measured by Leading National Advertisers and Broadcast Advertisers Reports, Inc. This represents a 19% increase from 1984.

Toy Industry Advertising Expenditures, 1984 and 1985
(In thousands of dollars)

	1985		1984	
Total	$371,360	100.0%	$312,067	100.0%
Spot TV	197,005	53.0	128,173	41.1
Network TV	129,793	35.0	245,066	46.5
Magazines	36,313	9.8	37,208	11.9
Network Cable TV	7,779	2.1	1,034	0.3
Newspaper Supplements	317	0.1	330	0.1
Outdoor	139	--	201	0.1
Network Radio	14	--	55	--

Source: Leading National Advertisers,
Broadcast Advertisers Reports, Inc.

C3400-1101-ll

The Textile/ Apparel Industries

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THE TEXTILE/APPAREL INDUSTRIES

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THE TEXTILE/APPAREL INDUSTRIES

Current Trends

The restructuring and consolidation of the textile and apparel industries, and the stepped-up investment in new technology, has resulted in gains in capacity utilization, productivity, and financial results. A realization of the need for cooperative effort in the face of the flood of imports, which continue to pour into the U.S., has helped unify some disparate elements in the complex--from fiber production and weaving to product assembly, distribution, and retailing--and encouraged a rapid adoption of new information technologies.

Since the middle of 1984, output of textile mills has risen 22.5% and there has been a slow but steady increase in the hiring of production workers. Earnings in leading mills shot up 94% last year. In the first quarter of 1987, total sales for seven major textile mills rose 7.9% over the same 1986 period, while profits more than doubled.

In viewing the outlook for 1987, the U.S. Chamber of Commerce has anticipated a rise of 7.7% in output of textiles, and a 3.3% gain in apparel production. However, despite the optimism generated by technical progress, the textile/apparel complex is subject to rapidly changing, very influential global developments which shape its future.

For example, developing world markets are stepping up competition for raw materials as well as finished goods. Due to sharply increased buying by China, the price of raw cotton has escalated. Australian wool prices, too, are suddenly shooting up. Following the pattern, domestic producers of manmade fibers are announcing price increases. These increases will squeeze profit margins in the near term; then they will be felt at the cutter and retailer level. Another blunting of the competitive edge for U.S. suppliers in relation to imports?

Industry observers point out that, in any event, the improved industry performance cannot be sustained unless imports are controlled. This is a major objective of the textile/apparel complex at this time, though not unanimously supported by all members. The trade deficit continues to grow, although there are indications that bilateral agreements negotiated under the terms of the Multifiber Agreement are having some effect; although there are problems in enforcement, in transshipments, etc.

New bilateral agreements have now been negotiated with all the major U.S. textile and apparel suppliers except China. These limit the growth in exports of Taiwan, Japan, South Korea and Hong Kong to about 1% a year. Figures on imports for March--the first month of this year not affected by pre-agreement carryovers--registered a decline, though this was solely in textiles, while apparel imports were up almost 4%.

China has now replaced Taiwan as the largest supplier to the U.S., accounting for 13% of our import total in textiles/apparel last year. China has refused to negotiate trade agreements, and imports grew in the first quarter this year despite embargoes placed on 15 categories of textiles and apparel thus far this year. Millions of dollars worth of this merchandise have entered the U.S. on counterfeit visas and have been seized, causing considerable difficulties for retailer/importers.

Current Trends (continued)

Last September, the Group of Five (U.S., Great Britain, France, West Germany, Japan) began to collaborate to weaken the U.S. dollar and thereby help the U.S. cut its trade deficit. While benefiting some U.S. industries, textiles and apparel are generally not helped. Their main competition is coming from Asian nations whose currencies until recently have been pegged to the dollar. The currencies of some, notably Taiwan and South Korea--with urging from the U.S.--are getting stronger, even though still dollar-linked, and these suppliers are losing some of their cost advantage. The Atlanta Federal Reserve Bank's currency index, as of March 1987, showed the dollar had dropped nearly 15% against Taiwan's currency in the past 18 months; a similar trend was noted for South Korea, Singapore and Australia. (In contrast, the dollar had fallen 40% against the Japanese yen.)

In another development leading to better trade relations, Taiwan has agreed to significantly reduce tariffs on American textiles and apparel for a one-year extension of the three-year U.S.-Taiwan bilateral agreement.

Hopefully, U.S. exports of textiles and apparel will pick up this year. However, competition continues to grow. Trade sources view with alarm the emergence of new textile exporting countries that are shipping larger and larger quantities to the U.S. and elsewhere. Malaysia, for example, has just negotiated a new aggregate limit allowing it to ship 28% more this year to the U.S. Imports from that source grew from 43 million SYE's in 1983 to 200 million in 1986. Devaluation of the dollar is a two-edged sword: machinery needed by U.S. textile and apparel plants comes primarily from sources benefiting from our devalued dollar, and is now much more expensive.

The Textile and Apparel Trade Act of 1987 is now under consideration in Congress. This calls for global quotas on all textile, apparel and non-rubber footwear products. It is opposed by the Administration (and likely to be vetoed) on several grounds: it is claimed it would hurt U.S. consumers, provoke retaliation, violate other obligations and agreements to which the U.S. is committed, and undermine efforts to secure more open trading systems for U.S. exports.

Meanwhile, quota problems are forcing large importers and retailers to seek new sources of supply, both in the Far East and back in the U.S. At the start of the second quarter this year, the outlook for the domestic industry and the market for the short term is clouded by many uncertainties. For the long term, there is hope that a revitalized textile/apparel complex will find its place with an important stake in the global picture.

GENERAL INDUSTRY STATISTICS

Trends: 1972-1986

The Department of Commerce has reported the value of industry shipments (including all products made within the industry plus miscellaneous receipts) for the textile and apparel industries on a constant dollar basis, which eliminates the factor of inflation. In the table below, the constant values reported for each year from 1972 through 1986 have been converted to indexes, which profile the real results.

In real value, textile industry shipments in the U.S. peaked in 1979, while preliminary estimates for 1986 for the apparel industry show that to be the best year.

Index of the Value of the Textile and Apparel Industry Shipments
(Value in 1982 = 100)

Year	Textile Mill Products	Apparel & Other Textile Products
1972	105.4	92.7
1973	104.9	95.1
1974	96.4	87.6
1975	94.2	88.2
1976	103.5	92.3
1977	112.5	100.1
1978	113.0	102.7
1979	114.1	98.0
1980	109.5	97.4
1981	106.3	97.7
1982	100.0	100.0
1983	110.8	102.4
1984	111.9	104.2
1985(e)	108.0	102.7
1986(e)	110.1	104.7

(e) estimated

Source: Based on U.S. Bureau of the Census and International Trade Administration Reports (1987 U.S. Industrial Outlook).

The International Trade Administration has published recent performance and forecast statistics for segments of the textile-apparel complex. Trends in industry shipments and miscellaneous receipts were reported as follows, on a constant dollar basis:

GENERAL INDUSTRY STATISTICS

Trends: 1972-1986 (continued)

Reported Industry Segments	Value of Industry Shipments: Percent Change (Constant 1982$)			
	Compound Annual Change		Annual Change	
	1972-1984	1979-1984	1984/85(e)	1985/86(e)
Textile industry*	+ 0.5%	- 0.4%	- 3.5%	+ 1.9%
Manmade fibers				
Cellulosic	- 0.8	- 6.6	-15.0	+ 6.4
Noncellulosic (organic)	+ 4.8	- 1.6	+ 2.4	+ 2.1
Yarn mills, except wool	+ 1.0	+ 0.9	- 4.6	+ 9.4
Wool yarn mills	- 3.4	- 0.7	- 6.8	+ 7.5
Knit fabric mills	- 2.8	- 6.3	+ 2.5	- 1.8
Weaving mills, total	- 0.3	- 1.6	- 4.2	+ 4.1
Cotton fabrics	- 3.4	- 6.2	- 2.0	+ 5.0
Manmade fabrics	+ 1.4	+ 0.2	- 4.0	+ 2.6
Wool fabrics (incl. finishing)	+ 1.6	+ 5.4	-14.4	+14.9
Apparel & other textile products	+ 1.0%	+ 1.2%	- 1.4%	+ 1.9%
Men's & boys' wear:	- 1.0	- 0.2	- 2.9	+ 1.1
Suits & coats	- 3.4	- 1.4	- 4.1	- 1.2
Shirts/nightwear	- 0.8	- 0.2	- 6.9	-0-
Trousers	- 2.8	- 0.9	- 5.2	+ 1.5
Work clothes	+ 2.2	+ 1.0	+ 1.9	+ 2.9
Women's, misses' outerwear	+ 1.7	+ 1.1	- 4.1	- 0.3
Blouses	+ 4.0	-0-	- 4.0	- 0.8
Dresses	- 0.9	+ 0.4	- 3.4	- 1.8
Suits, coats	+ 4.3	+ 2.9	- 5.1	+ 2.0
Children's, infants' outerwear	+ 1.3	+ 4.2	- 0.4	+ 2.7
Dresses, blouses	+ 2.4	+ 5.4	- 0.1	+ 2.2
Coats, suits	- 4.7	- 3.6	- 2.5	+ 7.3

(e) estimated

* Not including manmade fibers (which are classified in the Chemical Industry).

Source: U.S. Department of Commerce,
International Trade Administration:
1987 U.S. Industrial Outlook.

Every five years, the Census Bureau, U.S. Department of Commerce, compiles a complete census of all manufacturers in the Nation which have one or more employees. This is the most detailed source available on industry statistics; the most recent covering the year 1982. During intercensal periods, the Bureau compiles annual surveys among a representative sample of manufacturers (as opposed to a complete census), and this system provides a continuous series of basic industry statistics. Results of the 1985 annual survey were published early in 1987.

GENERAL INDUSTRY STATISTICS

General Statistics by Major Industry Classification
(Covering U.S. manufacturers with one or more employees)
(Dollar figures in millions)

Industry Classification	1985	1984	1982(r)	% Change 1985/82
Man-made Fiber Producers:				
CELLULOSIC MAN-MADE FIBERS (SIC 2823*)				
Number of companies	na	na	14	--
Number of establishments (plants)**	na	18#	18	--
Number with 20 or more employees	na	8#	9	--
All employees (thous.)	12.1	13.3	14.2	- 14.8
Production workers (thous.)	9.0	10.0	10.8	- 16.7
Payroll	$ 311.3	320.9	291.0	+ 7.0
Value added by manufacture***	$ 390.2	489.3	428.7	- 9.0
Cost of materials	$ 744.7	813.1	806.8	- 7.7
Value of industry shipments****	$1,148.1	1,307.2	1,239.9	- 7.4
New capital expenditures	$ 43.3	na	88.4	- 51.1
Machinery & equipment	na	na	80.1	--
ORGANIC FIBERS, NONCELLULOSIC (SIC 2824*)				
Number of companies	na	na	44	--
Number of establishments (plants)**	na	72#	70	--
Number with 20 or more employees	na	60#	57	--
All employees (thous.)	50.9	54.1	60.2	- 15.6
Production workers (thous.)	37.0	39.8	43.1	- 14.1
Payroll	$1,408.7	1,438.0	1,382.0	+ 1.9
Value added by manufacture***	$3,851.0	4,367.0	3,317.9	+ 16.1
Cost of materials	$5,349.1	5,633.6	4,973.4	+ 7.5
Value of industry shipments****	$9,283.7	9,919.9	8,262.7	+ 12.4
New capital expenditures	$ 354.3	334.9	442.9	- 20.0
Machinery & equipment	na	na	401.3	--
TEXTILE MILL PRODUCTS INDUSTRY (SIC 22*)				
Number of companies	na	na	5,376	--
Number of establishments (mills)**	na	6,244#	6,630	--
Number with 20 or more employees	na	3,658#	3,663	--
All employees (thous.)	658.4	709.5	717.4	- 8.2
Production workers (thous.)	565.3	610.5	615.5	- 8.1
Payroll	$ 9,967.1	10,191.6	9,046.1	+ 10.2
Value added by manufacture***	$20,693.3	22,110.4	18,550.2	+ 11.5
Cost of materials	$32,258.3	33,683.2	28,713.4	+ 12.3
Value of industry shipments****	$53,276.5##	55,488.9	47,515.4	+ 12.1
New capital expenditures	$ 1,863.3	2,002.1	1,579.0	+ 18.0
Machinery & equipment	na	na	1,336.0	--
APPAREL & OTHER TEXTILE PRODUCTS (SIC 23*)				
Number of companies	na	na	22,018	--
Number of establishments (plants)**	na	6,244#	24,391	--
Number with 20 or more employees	na	3,658#	10,907	--
All employees (thous.)	1,059.2	1,147.5	1,189.0	- 10.9
Production workers (thous.)	904.0	977.1	1,009.7	- 10.5
Payroll	$12,470.6	12,877.0	12,128.8	+ 2.8
Value added by manufacture***	$27,728.4	28,858.8	26,060.5	+ 6.4
Cost of materials	$29,130.2	29,200.6	27,087.8	+ 7.5
Value of industry shipments****	$56,993.1	57,578.3	53,387.9	+ 6.7
New capital expenditures	$ 697.1	742.2	654.3	+ 6.5
Machinery & equipment	na	na	497.7	--

(footnotes continued)

(r) revised
na not available
# The source for 1984 on the number of establishments is 1984 County Business Patterns, U.S. Bureau of the Census.
## A later Census Bureau report placed the 1986 value at $54,607 million compared with $53,275 million in 1985.

* Industry definitions (Standard Industrial Classifications (1972), Office of Management and Budget):

CELLULOSIC MAN-MADE FIBERS (SIC 2823) and ORGANIC FIBERS, NONCELLULOSIC (SIC 2824) are each a part of the Chemical & Allied Products Industry (SIC 28). Industry figures for textile glass fibers are not separately reported, but are included in data on pressed and blown glass and glassware. Manufacturers of cellulosic fibers often produce noncellulosics as a secondary product, but the reverse is not a general practice.

TEXTILE MILL PRODUCTS INDUSTRY (SIC 22): Includes mills engaged in any of the following operations: preparation of fiber and manufacture of yarn, thread, braids, twine, cordage; manufacture of knit and woven fabrics and of carpets and rugs from yarn; dyeing and finishing operations; coating, waterproofing, special fabric treatments; the integrated manufacture of knit apparel and other finished articles from yarn; the manufacture of felt goods, lace, non-woven fabrics and miscellaneous textiles.

APPAREL & OTHER TEXTILE PRODUCTS (SIC 23)--the cutting-up and needle trades: Includes plants producing clothing and other fabricated products by cutting and sewing purchased woven or knit textile fabrics and related materials (leather, plastics, fur, etc.). Besides apparel, the industry includes manufacturers of household textiles, canvas products and other fabricated textiles. Non-apparel products accounted for $5,799 million in industry shipments in 1982. Note that knitwear made in knitting mills, rather than cut and sewed, is classified in SIC 22. Also note: the apparel industry classification does not include gloves, handbags, jewelry or other accessories such as eyewear.

** Covers manufacturing establishments only, and each location is separately counted. Not included are separate auxiliary locations serving the plants (i.e. administrative officers, purchasing offices, sales promotion offices, etc.).

*** The value added by manufacture is derived by subtracting the cost of materials, supplies, energy, and contract work from the value of shipments of products manufactured plus receipts for services rendered. The result of this calculation is adjusted upward for the addition of value added by merchandising operations. Inventory value adjustments are also made.

Value added avoids the duplication in the value of shipments figure which results from the use of products of some plants as materials by others. It is, therefore, the best value measure available for comparing the relative economic importance of manufacturing among industries and geographic areas.

(footnotes continued)

**** The value of industry shipments covers received or receivable net selling values, f.o.b. plant after discounts and allowances, and excluding freight charges and excise taxes. Included are receipts from products made from materials owned by the plant as well as receipts for contract work, products bought and resold without further processing, and miscellaneous services. It includes both primary products (which determine the plant's SIC classification) and secondary products. The value of a specific product category, including output of primary and of secondary producers, is covered in the section on PRODUCT SHIPMENTS.

Source: U.S. Bureau of the Census; 1982 Census of Manufactures; 1984, 1985 Annual Survey of Manufactures M85(AS)-1.

The complete census is the basic source of information on manufacturers within the major industry classifications. The latest census, as noted, covered the year 1982 and it is the best available source for company counts. Some other measurements of industry activity are, however, updated in the annual surveys of manufactures (i.e. value added by manufacture; value of shipments, for example), and in the annual County Business Pattern reports.

The following table draws on the latest reports, with earlier year comparisons, for selected important measures of activity among manufacturers classified in the textile/apparel complex.

Industry Profile

Selected Industry Group Statistics: 1977, 1982, 1984, 1985
(Dollar figures in millions)

	No. of Companies		No of. Plants/Mills		Value Added By Manufacture		Value of Shipments	
	1982	1977	1984	1982	1985	1982	1985	1982
Fiber/textile/apparel industries	*	*	29,282	31,109	$52,662	$51,357	*	*
Man-made fibers, industry	*	*	90	88	4,241	3,747	$10,432	$9,503
Cellulosic manmade fibers	14	20	18	18	390	429	1,148	1,240
Organic fibers, noncellulosic	44	37	72	70	3,851	3,318	9,284	8,263
Textile mill products industry	5,376	5,733	6,244	6,630	20,693	18,550	53,276	47,515
Weaving mills (broad woven fabrics)	666	631	846	923	5,770	5,475	13,359	12,926
Cotton	209	211	247	269	1,767	1,638	4,025	3,972
Manmade fiber, silk	342	267	483	523	3,542	3,489	8,402	8,191
Wool, incl. finishing mills	115	153	116	131	461	349	932	763
Narrow fabric mills	241	291	270	281	550	465	962	852
Knitting mills	na	2,318	2,143	2,334	5,244	4,985	11,783	10,986
Women's hosiery, except socks	180	176	176	206	914	777	1,568	1,411
Hosiery, n.e.c.	376	382	393	420	698	617	1,551	1,443
Knit outerwear mills	896	903	833	923	1,675	1,705	3,604	3,182
Knit underwear mills	72	80	75	84	492	446	1,136	830
Circular knit fabric mills	384	462	352	422	745	850	2,174	2,539
Warp knit fabric mills	61	213	177	207	658	534	1,624	1,466
Knitting mills, n.e.c.	71	191	61	72	62	55	124	115

(continued)

GENERAL INDUSTRY STATISTICS

Industry Profile

Selected Industry Group Statistics: 1977, 1982, 1984, 1985
(Dollar figures in millions)

	No. of Companies		No of. Plants/Mills		Value Added By Manufacture		Value of Shipments	
	1982	1977	1984	1982	1985	1982	1985	1982
Textile finishing, except wool	na	602	685	753	1,758	1,590	5,601	4,972
Finishing plants: cotton	266	194	236	275	251	256	846	754
Finishing plants: manmade fiber	265	248	268	296	1,130	999	3,788	3,186
Finishing plants: n.e.c.	177	176	181	182	377	335	967	1,032
Floor covering mills	na	533	467	505	2,276	1,712	8,060	5,808
Woven	59	71	54	60	173	83	364	218
Tufted	323	397	326	366	2,021	1,585	7,505	7,505
Other	79	72	74	79	na	44	na	150
Yarn & thread mills	na	529	670	714	2,749	2,318	8,019	7,036
Yarn mills, except wool	206	274	352	377	1,794	1,508	4,853	4,328
Throwing & winding mills	160	170	167	189	629	527	2,340	1,945
Wool yarn mills	71	71	73	73	81	68	234	185
Thread mills	60	58	71	75	245	215	591	579
Miscellaneous textiles	na	1,150	1,055	1,120	2,346	2,004	5,491	4,935
Felt goods (except woven felts, hats)	40	37	43	45	241	150	365	250
Lace goods	63	68	65	65	54	46	81	72
Paddings, upholstery filling	86	113	87	93	171	129	356	284
Processed textile waste	97	95	98	102	97	98	306	297
Coated fabrics	188	175	194	198	465	435	1,228	1,115
Tire cord & fabric	12	8	18	21	343	290	1,064	982
Nonwoven fabrics	114	81	123	132		544		1,279
Cordage & twine	164	151	169	181	212	181	394	359
Other textile goods	283	432	223	283	123	130	269	298
Apparel & other textile products, total	22,018	23,754	22,948	24,391	27,728	26,060	56,993	53,388
Nonapparel textile products	na	6,444	6,260	6,611	5,641	4,498	13,351	10,281

* not additive
na not available
n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census: 1977, 1982 Census of Manufactures; 1985 Annual of Survey of Manufactures; 1984 County Business Patterns.

Information on specified components of the apparel and other textile products industry for 1984 and 1985 are outlined below. Excluding fabricated nonapparel classifications, the value of apparel industry shipments in 1985 amounted to $43.6 billion. This was 2.2% below the 1984 total reported at $44.6 billion. (Details on specific apparel industry classifications are covered in other specialized apparel Fact Files.)

Industry Profile (continued)

Specified Apparel & Textile Product Plants & Value of Industry Shipments: 1984, 1985

	Plants/Mills: 1984		Industry Shipments* (millions of $)		
	Total Number	With 100 or More Employees	1985	1984	% Change 1985/84
Apparel & other textile products**	22,948	3,148	$56,993.1	$57,578.3	- 1.0%
Men's & boys':					
Suits, coats	433	171	3,321.0	3,208.8	+ 3.5
Furnishings, other clothing	2,279	963	13,569.5	13,803.6	- 1.7
Women's & misses':					
Outerwear	8,150	967	17,488.5	18,052.7	- 3.1
Women's & children's:					
Underwear, foundations, etc.	683	262	3,490.4	3,638.2	- 4.1
Hats, caps, millinery	403	49	595.1	611.1	- 2.6
Children's outerwear	847	211	2,740.9	2,694.7	+ 1.7
Fur goods	466	--	383.7	398.1	- 3.6
Miscellaneous apparel & accessories	1,082	123	2,053.4	2,202.5	- 6.8
Miscellaneous fabricated textile products (home textiles, etc.)	6,260	389	13,350.6	12,968.7	+ 2.9

* Includes both primary and secondary products made within the industry as well as miscellaneous receipts for contract work, etc. The value of shipments of specific products by all producers, regardless of their industry classification is covered in the secton on PRODUCT SHIPMENTS

**Includes products not separately listed.

Source: U.S. Bureau of the Census: 1984, 1985 Annual Survey of Manufactures, Statistics for Industry Groups and Industries (M85(AS)-1); 1984 County Business Patterns, U.S. (CBP 84-1).

New Capital Expenditures/Productivity/New Technologies

Restructuring, consolidation and modernization have resulted in productivity increases by generating increased output from fewer plants and fewer employees. Productivity growth in the textile mill industry is the highest of all U.S. manufacturing industries. In the 1975-1985 period, the textile industry averaged a 5.6% growth rate in productivity vs. 2.4% for all manufacturing. The rate in the apparel industry was 2.7%.

U.S. textile industry productivity surpasses productivity per employee among the major industrialized nations of the world, according to a 1985 European Economic Community study, due to the modernization and automation of production. Producers who have updated production processes have been able to save floor space, as some new machines are more compact, and some allow older production processes to be eliminated. Smaller firms, however, face difficulties in making a transition from a highly labor-intensive to a highly capital-intensive production process; and many have not been able to survive.

New Capital Expenditures/Productivity/New Technologies (continued)

New Capital Expenditures & Productivity

Year	Textile Mill Products New Capital Expenditures (millions of $)	Productivity Indexes (1977=100) Textile Mill Products	Apparel Products
1975	$ 860	82.1	95.8
1980	1,540	110.2	112.6
1981	1,660	113.0	114.4
1982*	1,460	122.8	117.9
1983	1,550	129.5	118.0
1984	1,920	129.5	121.4
1985	1,780	129.1	121.0
1986(e)	1,790	na	na

* In 1982, according to the Census Bureau, the fiber/textile/apparel complex spent a total of $4.4 billion for new machinery and equipment. Most of this--an estimated 52%--went to foreign suppliers.

(e) estimated

Source: Special Report, Congressional Office of Technology Assessment: The U.S. Textile & Apparel Industry (September 1987).

According to Goldman, Sachs & Co., New York, many new major capital programs have been announced this year by textile companies; and capital spending by the five largest public textile firms should rise about 40 percent.

New textile machinery has the potential to both increase production speeds and improve quality. These are dominant factors in competition among U.S. producers but not necessarily for global competition, since exchange rates, labor costs, and non-economic barriers are so significant. The same advanced technology is available to firms throughout the world (little of it was developed by U.S.-based enterprises), including nations that pay workers a small fraction of the U.S. minimum wage.

Sophisticated networks of U.S. and foreign companies use these factors to undercut U.S. supplier prices; apparel imports have grown from 25 to 50% of the U.S. market in the past 10 years. Technology alone may not be able to salvage major parts of the industry. Productivity advantages over competitors can only be achieved through constant upgrading of machinery, and capital cycles are short--5 years for spinning machinery, for example, necessitating large commitments for new capital improvements; and with the weaker dollar, costs are going up. Because of the devalued dollar, equipment from Italy was reported to be 41% more expensive at the end of 1986 than in 1984; machinery from West Germany was 31% more expensive (DNR May 6, 1987).

GENERAL INDUSTRY STATISTICS

New Capital Expenditures/Productivity/New Technologies

New production technology must be combined with new communication and information processing technology in a concerted effort by major textile/apparel manufacturers in the U.S. to contend with foreign competition, leading to the Quick Response program. The key to success of this program is holding inventories low and avoiding stockpiling, while still ensuring that retailers can stock what customers want when they want it. Revolutionary changes are required in how the components of the fiber-textile-apparel-retail mesh their needs and in the flow of information.

For textile mills, it means adopting the technology for short runs, speeding production through computerized designing equipment, faster handling of all facets of cutting and shipping. For apparel manufacturers, it means the adoption of computer assisted design and automatic cutting and sewing techniques, robotic handling, plus stringent floor controls and close linkage with retailers. For their part, retailers must have electronic data interchange from point-of-sale to vendor, point of sale bar-coding and sorting systems. Merchandise control systems, pre-marking by vendors and pre-distribution by vendors are also involved.

A study by DuPont released in January 1987 indicated that, overall, U.S. apparel producers must find a way to shave between 10 and 35% of their costs in order to compete directly with many foreign suppliers. The size of the gap depends on type of fabric used and the percent of the wholesale cost due to labor. Producers in the Far East have the greatest advantage using relatively labor-intensive fabric (topweights), because foreign topweight fabrics may cost 35% less than the equivalent domestic fabrics, while fabric costs may be only 15% lower for the less labor-intensive.

Industry Location

Between 1977 and 1982, the number of textile plants and firms in the U.S. declined 10%. From 1983 through mid-1985, nearly 1 million spindles and 15,500 looms were eliminated. The geographic impact of these disinvestments was dramatic--more than 85% of the spindles were eliminated in three states: South Carolina, North Carolina, Georgia. More than 95% of all looms were shut down in these states (63% in South Carolina, alone).

A February 1985 survey by the American Textile Manufacturers Institute of its own membership estimated that 44 plants had closed in 1981, 100 in 1982, 49 in 1983, 38 in 1984. However, as indicated in the foregoing section, while disinvestment has been underway, substantial new investments in paint and equipment have been made by many companies. To meet the needs of a growing global market, the textile industry is changing from one of small firms to large integrated operations, with more emphasis on the transfer of products from one division of subsidiary of the company to another to eliminate price competition.

The traditional segmentation of the textile industry into individual production processes, separate geographic regions, and/or single technologies is breaking down.

Industry Location (continued)

Permanent Plant Closings in the U.S. Textile Industry, 1983-June 1985

States	No. of Spindles Eliminated	No. of Looms Shut Down
Georgia	175,012	2,602
North Carolina	266,956	2,188
South Carolina	390,564	9,750
Alabama	56,816	--
Virginia	77,060	499
Connecticut	2,100	--
Texas	--	--
California	5,280	--
Massachusetts	3,120	--
Total	976,908	15,489

Source: ATMI.

Ten states accounted for 85% of the total value added by manufacture in the textile mill products industry in 1984, according to the Census Bureau. As noted, this value is the best measure of the contribution made within the industry's manufacturing process, excluding the cost of materials, etc.

North Carolina was the leading state in value added, accounting for 26.4% of the industry total, followed by Georgia, with a 15.7% share. Of total value of shipments, North Carolina accounted for 27.2%; Georgia, 19.6%.

The apparel industry, composed of a larger number of small operations and with twice as many employees as in the textile mill products industry, is less concentrated on a state basis. The 10 states leading in value added by manufacture in 1984 accounted for 64.2% of the industry total. The largest producer, New York, accounted for 16.3% of total value added by manufacture within the apparel and other textile products industry; the second largest contributor, California has a 10.1% share. Of total value of industry shipments in 1984, New York's share was 19.5%; California's, 9.8%.

Leading States in the Textile/Apparel Industries: 1984
(Based on the Value Added By Manufacture)
(Employment in thousands; dollar figures in millions)

Industry	No. of Employees	Value Added By Manufacture	Value of Shipments
Textile mill products			
North Carolina	213.1	$ 5,834.3	$15,121.6
Georgia	97.6	3,467.3	10,858.7
South Carolina	105.4	3,192.7	8,034.6
Virginia	38.3	1,334.4	3,257.2
Pennsylvania	37.5	1,107.3	2,407.8
Alabama	33.1	1,061.9	1,566.5
New York	30.1	864.8	1,868.8
Tennessee	23.2	699.7	1,597.7
Massachusetts	19.4	684.8	1,484.2
New Jersey	15.5	518.5	1,070.6

(continued)

Industry Location (continued)

Leading States in the Textile/Apparel Industries: 1984
(Based on the Value Added By Manufacture)
(Employment in thousands; dollar figures in millions)

Industry	No. of Employees	Value Added By Manufacture	Value of Shipments
10-State total	613.2	18,765.7	47,267.7
Industry total	710.5	22,110.4	55,488.9
10-State share	86.3%	84.9%	85.2%
Apparel & other textile products			
New York	146.8	4,696.8	11,257.9
California	101.3	2,903.2	5,629.8
Georgia	78.9	1,882.4	3,771.0
Texas	58.0	1,559.8	2,998.9
North Carolina	80.4	1,539.2	3,323.3
New Jersey	51.8	1,369.2	2,742.9
Tennessee	62.8	1,335.8	2,376.3
Michigan	20.4	1,198.7	2,363.5
Alabama	57.1	1,114.2	2,221.6
Massachusetts	37.8	888.5	1,806.6
10-State total	695.3	18,515.8	38,491.8
Industry total	1,152.4	28,858.8	57,578.3
10-State share	60.3%	64.2%	66.9%

Source: U.S. Bureau of the Census: 1984 Annual Survey of Manufactures, Geographic Area Statistics (M84(AS)-6).

Employment & Earnings

Long-term trends in the U.S. textile/apparel complex are evident in statistics on employment and payrolls compiled by the Census Bureau through 1985.

Employment & Payrolls in Operating Textile & Apparel Manufacturing Plants, Selected Years: 1958-1985
(Employment in thousands; payroll in millions)

Year	Textile Mills Products Ind.		Apparel & Other Textile Products Industry	
	Employees	Payroll	Employees	Payroll
1985	658.4	$ 9,967.1	1,059.2	$12,470.6
1984	709.5	10,191.6	1,147.5	12,877.0
1983	723.3	10,060.5	1,181.7	12,791.6
1982	717.4	9,046.1	1,189.2	12,128.8
1981	785.2	9,574.0	1,251.1	11,804.6
1980	816.1	9,228.1	1,307.3	11,354.3
1979	842.1	8,823.5	1,306.2	10,624.2
1978	861.8	8,367.9	1,321.8	10,190.8
1972	952.6	6,051.0	1,368.3	7,212.0
1963	863.2	3,385.0	1,279.5	4,423.0
1958	903.2	2,942.9	1,181.0	3,586.6

Source: U.S. Bureau of the Census.

Employment & Earnings (continued)

In the textile mill industry, employment dropped from a high of 952.6 thousand employees in 1972 to 658.4 thousand in 1985, representing a decline of 31%, or 294.2 thousand, according to the Census Bureau. The 1985 total was 7.2% below 1984; however, current Bureau of Labor Statistics reports indicate a pickup in employment in this industry in 1986 and early 1987.

Intense competition from imports in recent years has changed the structural makeup of the textile industry as well as resulted in new methods of production; and this has brought about the drop in employment. The closing of plants, a series of major corporate mergers and acquisitions, and the installation of sophisticated new machinery and equipment are the steps taken by the industry to meet competition from overseas and to meet the requirements of the market. The result has been a reduced number of companies, employing fewer workers but producing a greater volume of higher quality products.

In the apparel and other textile products industry, which is more labor intense than textiles, employment in 1985 was reported at 1,059.2 thousand by the Census Bureau. This represented a decline of almost 23%, or 309.1 thousand workers, from the high of 1,368.3 thousand reported by the Bureau for 1972. The 1985 level was 7.7% lower than in 1984, but preliminary figures for 1986 indicate a drop of less than 1% in the employment total compared with 1985. This compares with the 3.1% annual rate of decline during the 1980-85 period.

The Congressional Office of Technology Assessment study of the textile/apparel industry, released in April 1987, reviewed the industries' losing battle against imports, but emphasized that, despite problems, they remain a critical factor inside many regional economies. It predicted that future textile and apparel jobs would include fewer low-paid, entry-level positions, and more highly trained operators and technicians. The nature of textile firms and the jobs involved, according to this report, will change dramatically.

On a current basis, monthly and annual employment and earnings statistics are compiled by the Bureau of Labor Statistics (BLS), U.S. Department of Labor. Since the methods of compilation differ, the BLS figures on employment do not exactly match Census Bureau reports, though trends are the same.

Preliminary information from the BLS for the month of May 1987 indicates a gain in employment in both the textile and apparel/related products industries. In textiles, the seasonally unadjusted total for May this year was 724.4 thousand employees--up 24,300 compared with May 1986. In apparel and other textile products, May 1987 employment (unadjusted) was reported at 1,112.5 thousand, which was 3,500 above the year-ago level.

Textile Industry Employment

Production worker employment in the textile industry as a whole rose 1% in 1986 compared with 1985, reviving somewhat from the sharp drop noted in 1985. Average weekly hours rose from 39.7 to 41.2; hourly earnings went from an average of $6.71 to $6.95.

Not all segments of the textile industry shared in last year's gain in production worker employment, however. Sparked by the tremendous demand for sweaters, and other knit tops, knitting mills and yarn/thread mills registered gains, as did floor covering mills which benefited from an increase in residential and commercial construction. Weaving mill employment was down compared with 1986, and quite sharply below 1984 levels, as was employment in organic fiber mills. (Reasons for these declines have been discussed in the previous sections.)

Textile Industry Employment (continued)

Production Worker Employment in Fiber/Textile Mills: 1984-1986
(Annual average numbers in thousands)

	1986	1985	1984	% Change 1986/1984
Fibers, organic, noncellulosic*	44.5	46.6	54.3	- 18.0%
Textile mill products industry	613.3	607.6	642.1	- 4.5
Industry components:				
Weaving mills, cotton	90.1	94.5	113.4	- 20.5
Weaving mills, manmade fibers	79.6	81.7	84.9	- 6.2
Weaving/finishing mills, wool	13.9	14.3	14.3	- 2.8
Narrow fabric mills	18.2	18.3	19.3	- 5.7
Knitting mills (incl. hosiery)	178.5	171.9	174.9	+ 2.1
Textile finishing, exc. wool	48.8	48.7	53.7	- 9.1
Floor covering mills	48.2	44.9	36.9	+ 30.6
Yarn & thread mills	93.1	89.8	98.3	- 5.3
Miscellaneous textile goods	42.9	43.4	45.3	- 5.3

* Employment in the manufacture of cellulosic fibers is not reported.

Source: Bureau of Labor Statistics, U.S. Department of Labor.

Women accounted for about 47% of overall employment in the textile industry in 1986. In knitting mills, however, they represented over 68% of the total. Average weekly hours in the entire industry were reported by the BLS as follows in recent years: 1986, 41.2; 1985, 39.7; 1984, 39.9; 1983, 40.4. Hourly earnings averaged $6.95 in 1986; $6.71 in 1985; $6.18 in 1983.

Employment gains last year compared with 1985, but levels still considerably below the 1984 averages, are noted in reports covering the leading states in this industry.

Textile Industry Employment in Leading States: 1984-1986
(Annual average numbers in thousands)

Year	Georgia	North Carolina	South Carolina
1986	102.0	208.2	104.6
1985	100.8	206.1	102.2
1984	105.7	220.0	114.4

Source: American Textile Manufacturers Institute, Inc.

In noncellulosic fiber producing plants, production workers' weekly hours averaged 41.8 in 1986, down from 42.2 in 1985, even with 1984. Comparable period average hourly earnings were $11.73, $11.37 and $10.72, respectively, according to the BLS.

A special study of wages of production and related workers in the South in manmade fiber manufacturing plants--representing 95% of all workers in this segment of the textile industry--was compiled by the BLS in September 1985. Earnings of the 42,292 workers included in the study averaged $10.03 an hour (the industry average for production workers in the noncellulosic fiber industry in 1986 was reported at $11.73 by the BLS).

GENERAL INDUSTRY STATISTICS

Employment & Earnings: Textile Industry

Number & Average Hourly Earnings of Production Workers in Man-made Fiber Manufacturing By Principal Product, Southern Region: September 1985
(Employment in thousands)

	Total		Cellulosic Fibers		Noncellulosic Fibers	
	Workers	Earnings	Workers	Earnings	Workers	Earnings
All production workers	42.3	$10.03	6.3	$7.91	35.9	$10.41

Source: U.S. Department of Labor: Monthly Labor Review (February 1987).

In June 1985 the BLS made a survey of straight-time earnings of production workers in yarn and broadwoven fabric mills--cotton and manmade fibers, woolen and worsted--which showed a variation by location, union status, type of mill and type of fiber processed.

Number & Average Hourly Earnings of Production Workers in Yarn & Broadwoven Textile Mills, By Selected Characteristics, U.S. & Southeast: June 1985
(Employment in thousands)

	United States, total				Southeast*			
	Cotton & Manmade Mills		Wool Yarn & Broadwoven Mills		Cotton & Manmade Mills		Wool Yarn & Broadwoven Mills	
	Workers	Earnings	Wkrs.	Earnings	Wkrs.	Earnings	Wkrs.	Earnings
All production workers	199.7	$6.35	11.0	$6.37	183.8	$6.34	5.1	$ 6.57
Type of area:								
Metropolitan	81.8	6.34	4.8	6.30	67.8	6.31	0.6	5.96
Nonmetropolitan	117.9	6.36	6.2	6.42	115.9	6.37	4.5	6.65
Type of mill:								
Yarn or thread mill	83.3	6.00	1.4	5.60	77.9	6.01	0.6	6.00
Weaving mills	17.7	6.55	1.6	6.59	15.5	6.55	1.0	7.09
Integrated mills	98.7	6.61	8.0	6.46	90.3	6.59	--	--
Labor-management contract coverage:								
Mills with--								
Majority of workers covered	24.8	6.73	2.1	6.93	20.6	6.70	--	--
None or minority of workers covered	174.9	6.30	8.9	6.24	163.1	6.30	4.7	6.48

*The Southeast region includes Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia.

Source: U.S. Department of Labor: Monthly Labor Review (February 1987).

Employment & Earnings: Comparative Labor Costs

A study of textile labor cost comparisons conducted by Werner International Management Consultants (Brussels) showed that U.S. labor costs ranked as the ninth highest out of 53 producer countries studied during the winter of 1985-86--down from fifth highest in 1984.

Employment & Earnings: Comparative Labor Costs (continued)

Costs per hour for U.S. fabric and yarn production average $8.66, up from $6.37 in 1980. Highest labor costs were reported for Norway (averaging $11.06), followed by Switzerland ($10.84), Belgium ($10.08), and Denmark ($10.84). The lowest cost producer was Uganda (5 cents), followed by China (20 cents), Indonesia (23 cents), and Ethiopia (27 cents).

Exchange rate variations have had a substantial impact on hourly labor cost comparisons in recent years, according to Werner. In 1980, when the U.S. dollar was at a low point compared with most other major currencies, American labor costs ranked 11th highest compared with the countries surveyed, versus fifth in 1984 when the dollar was particularly strong.

However, the impact is really limited to the textile trade between the U.S. and the high-wage countries of the common market and Japan, according to Werner. For the low-wage countries with a substantial textile trade, such as Hong Kong, Taiwan, South Korea, Brazil, India, Pakistan and China, the exchange rate variations have limited impact. For example, the cost of producing yarn or fabric in Taiwan in 1980 when the dollar was low averaged 20% of U.S. costs compared with 18% in the winter of 1985 and 1986 with the dollar strong.

With the modernization of plants, the impact of hourly labor costs on the bottom line is diminishing, according to the Werner study. Today it is possible in modern plants in the U.S. and Europe to limit the labor costs to between 8 and 20% of sales, depending on end products.

Employment & Earnings: Apparel & Other Textile Products

Production worker employment in apparel manufacturing in 1986 dropped by about 7,200 workers compared with the 1985 average, and 1986 was 6.8% below the 1984 average. Plants manufacturing home textiles and other fabricated textiles, however, registered a gain in production worker employment levels compared with 1985, and the level was up 13.5% compared with 1984.

Weekly hours for the apparel and other textile products industry were up slightly in 1986, from 36.4 in 1985 to 36.7; average hourly earnings rose from $5.73 to $5.81. Over three-quarters (77.1%) of the workers in apparel plants were women; in plants making home textiles and other textile products, women represented 63.2% of the workers.

Production Worker Employment in Apparel & Other Textile Product Plants: 1984-1986

(Annual average numbers in thousands)

	1986	1985	1984	% Change 1986/84
Apparel & other textile products	941.2	948.3	981.2	- 4.1%
Apparel	790.2	798.0	848.2	- 6.8
Selected industry components;				
Men's & boys' suits & coats	52.2	55.6	65.7	- 20.5
Men's & boys' furnishings	274.1	272.1	273.7	+ 0.1
Women's outerwear	297.0	302.6	328.9	- 9.7
Children's outerwear	53.5	51.5	52.0	+ 2.9
Women's, children's innerwear	63.5	64.5	70.7	- 10.2
Misc. apparel, accessories	35.3	36.4	41.1	- 14.1
Misc. textile products (home textiles, automotive & apparel trimmings)	151.0	150.3	133.0	+ 13.5

Source: Bureau of Labor Statistics.

Employment & Earnings: Apparel & Other Textile Products (continued)

Apparel manufacturing is very labor-intensive, with production workers constituting 85% of the work force compared with 68% in all manufacturing plants. Hourly earnings of production workers in apparel averages $5.81 compared with an overall average of $9.73 for all U.S. manufacturing industries in 1986. The average hourly rate in 1985 was $5.73.

A new federal immigration law becomes effective June 1, 1987. It may bring sharply higher labor costs to the U.S. apparel industry which has traditional reliance on low-skilled, low-wage immigrant labor. Many workers, particularly undocumented illegals, are reported to have average earnings below the minimum wage. In addition to the law affecting the hiring of immigrants, labor costs may be affected by a proposed change in the minimum wage (currently $3.35 an hour). Congressional hearings are underway to raise the minimum to $4.65 in three stages by year 1991.

Apparel manufacturers to an increasing extent have been relying on jobbers and contractors, which allows them to readily expand and contract output. This has led to the growth of "underground" apparel operations which, according to some calculations, comprise up to 35% of garment production in unregulated shops and illegal operations. The U.S. however, still averages far above the wage rates paid by competing foreign apparel suppliers.

Based on exchange rates in July 1986, the joint council of the textile/apparel industry in Germany, Gesamttextile in Frankfort, did a study of hourly labor costs among industrialized countries. The top position went to Switzerland, with an hourly rate averaging $12.04; the U.S. ranked 8th, with a rate of $9.40. This compares with Hong Kong's $1.82. (Information on a Werner International study covering textiles, alone, has been covered in the textile employment section.)

Manufacturers of apparel, particularly women's and children's, have historically been highly concentrated in the New York City garment area, but the city has lost ground to competition from other areas, including Los Angeles, Dallas and Atlanta, as well as being diminished because of competition from imports. In September 1986, according to the New York State Department of Labor, total New York City employment in the apparel and other textile products industry numbered 111,300. This compares with 132,800 counted in September 1982--a decline of 16.2%.

However, according to the International Ladies Garment Workers Union (ILGWU), about half of all apparel wholesale trade in the U.S. takes place in the New York Garment Center. A two-year study just completed (WWD, March 24, 1987) on the garment district found more than 5,000 apparel firms employing more than 61,000 workers in the center, often referred to as SA (Seventh Avenue). In addition, there were nearly 20,000 garment workers in New York's Chinatown and another 40,000 to 50,000 in other boroughs of New York.

New York City's employment in the apparel and other textile products industry in September 1986 represented almost 28% of all manufacturing employment in the City. In September 1982, apparel and other textile products manufacturing represented 28.7% of the city's manufacturing employment. There hasn't been much change in the share since all manufacturing activity in the city has waned.

Employment & Earnings: Apparel & Other Textile Products (continued)

The Mid-Atlantic Regional Office of the BLS has issued a report (March 1987) based on an analysis of the elimination of jobs in New York City from June 1977 to June 1986. Of the top nine job-losing sectors in manufacturing, seven were in apparel and textile. Women's outerwear makers topped the list with the elimination of 15,300 jobs, bringing the total to 60,300. In second place, was men's and boys' tailored clothing manufacturing jobs, down from 10,800 to 3,400. Miscellaneous fabricated textiles placed third, declining from 20,800 employees to 13,500.

Employment in the women's and children's undergarment sector in New York fell from 10,800 to 4,900; children's outerwear makers cut employment from 9,600 to 4,100. Knitting mills reduced employment from 20,500 to 15,400. Of the top nine job-losing sectors in manufacturing, seven were in textiles/apparel.

Some apparel makers have looked to the South to open plants in areas with lower labor costs, particularly South Carolina, while some cities in the North are making last-ditch efforts to maintain apparel manufacturing jobs, including Chicago--a city where these jobs now total about 15,000 compared with a total of 40,000 shortly after World War II.

Employment Size of Mills/Plants

In 1984, according to the County Business Pattern report issued by the Census Bureau, over 40% of the employees in the textile mill products industry were in mills with 500 or more employees (5% of all mills). Almost 85% of employees were in the 1,685 mills (27% of the total) with 100 or more in total employment.

The apparel and other textile products industry has many more smaller plants, and a greater concentration of employment among those with less than 50 employees. However, plants with 100 to 499 employees (about 13% of the total plants) accounted for 49% of the industry employment in 1984; 247 plants (1.1% of the total) accounted for 16% of the total.

Employment-Size of Plants: 1984

		Employment Size Class			
	Total	Under 50	50-90	100-499	500 or More
Textile mill products industry:					
No. of mills	6,244	3,748	911	1,367	318
Employees	724,290	54,678	57,320	317,019	295,273
Annual payroll (million $)	$10,509.3	4593.0	799.4	798.9	4,318.0
Apparel & other textile products:					
No. of plants	22,948	17,128	2,672	2,901	247
Employees	1,192,578	223,244	185,888	590,075	193,371
Annual payroll (million $)	$13,427.4	2,635.0	1,941.5	6,176.7	2,674.1

Source: U.S. Bureau of the Census: County Business Patterns, 1984.

GENERAL INDUSTRY STATISTICS

Ranking of the Textile/Apparel Industries Complex

To varying degrees, declines in production worker employment have been pervasive in U.S. industry. While the textile/apparel industrial complex has been in the forefront in this trend, it still ranks first among all U.S. manufacturing industries in terms of production worker employment.

In 1986, the complex averaged 1.6 million workers (44.5 thousand in manmade fiber plants, 613.3 thousand in textile mills, 941.2 thousand in apparel and other textile product plants). This compares with production worker counts in the second ranking industrial employer, electrical and electronic equipment, which had 1.2 million production workers in 1986.

In ranking of manufacturing industries based on dollar volume, the best criteria is the value added by manufacture. This avoids the duplication in the value of shipments figure which results from the inclusion of the shipments of plants producing materials and components along with the shipments of plants producing finished products. It is considered the best value measure available in census data for comparing the relative economic importance of an industry or geographic area.

The combined fiber/textile/apparel complex ranked eighth among U.S. manufacturing industries based on value added by manufacture ($52.7 billion). Considered separately, the apparel and other textile products industry, with value added by manufacture at $27.7 billion in 1985, ranked in 12th place; the fiber/textile industry (which includes hosiery and knitwear) was thirteenth in rank.

Eliminating duplication in value from industry segment to segment, the total value of manufacturers' shipments of finished textile/apparel products (knit and woven) is estimated at over $75 billion in 1985.

Ranking of Major U.S. Manufacturing Industry Classifications Based on Value Added By Manufacture: 1985

Industry	Rank	Value Added By Manufacturer (millions of $)
Transportation equipment	1	$120,953.1
Machinery, except electrical	2	110,224.1
Electric & electronic equipment	3	109,861.5
Food & kindred products	4	104,146.0
Chemicals (excluding fibers)	5	95,251.5
Printing & publishing	6	73,054.3
Fabricated metal products	7	69,161.5
Fiber/Textile/apparel industry complex	8	52,662.9
Paper & allied products	9	40,387.2
Primary metals	10	38,081.9

Source: U.S. Bureau of the Census:
1985 Annual Survey of Manufactures.

Of the 5,376 companies classified in the textile mill products industry, in the most recent (1982) census of manufactures, 4,489 (83.5%) had just one mill or plant; 887 (16.5%) were multiunit companies, operationg 2,141 mills. the multi-mill companies accounted for 32.2% of the industry's 6,630 mills and a whopping 83.5% of the industry's total value of shipments and miscellaneous receipts, 81% of the value added by manufacture.

INDUSTRY CONCENTRATION

The apparel and other textile products industry shows a greater concentration of activity among single-unit, or onte-plant companies. These companies represented 93% of the 22,019 firms classified in the apparel and other textile products industry. Multi-plant companies, of which there were 1,546 in 1982 (7% of the total), operated 3,919 plants (16% of the 24,391 plant total); they accounted for 61.2% of the total value of industry shipments, 60.7% of the value added by manufacture within the industry.

Single-unit & Multi-unit Companies in the Textile/Apparel Complex: 1982

Industry	Companies		Plants		Value Added By Manufacture		Value of Shipments	
	No.	%	No.	%	Mil. $	%	Mil. $	%
Manmade fibers	58	100	88	100	$ 3,746.6	100	$ 9,502.6	100
Multiunit companies	34	59	64	73	3,731.4	99	9,459.2	99
Single-unit companies	24	41	24	27	15.3	1	43.4	1
Textile mill products	5,376	100	6,630	100	18,550.2	100	47,515.4	100
Multiunit companies	887	16	2,141	32	15,037.5	81	39,685.7	84
Single-unit companies	4,489	84	4,489	68	3,512.7	19	7,829.7	16
Apparel & other textile products	22,018	100	24,391	100	26,060.5	100	53,387.9	100
Multiunit companies	1,546	7	3,919	16	15,829.0	61	32,692.2	61
Single-unit companies	20,472	93	20,472	84	10,231.4	39	20,695.7	39

Source: U.S. Bureau of the Census: 1982 Census of Manufactures, Type of Organization (MC82-S-5).

The concentrated value of industry shipments accounted for by the largest companies in specific segments of the textile/apparel complex is evident in a special 1982 census of manufactures analysis by the Census Bureau, highlights of which are covered in the following table. Revolutionary changes, involving restructuring, consolidations, mergers and acquisitions, have accelerated since 1982, and the current picture would undoubtedly show for many segments of the complex a greater concentration of business among fewer companies operating fewer mills or plants.

Share of Industry Shipments Accounted for by the Largest Companies: 1972, 1977, 1982

	No. of Companies	Industry Shipments				
			Percent Accounted For By Largest Companies:			
		Mil. $	Top 4	Top 8	Top 20	Top 50
Manmade fiber producers:						
Cellulosic:						
1982	5	$1,240	nr	100%	--	--
1977	5	1,003	nr	100	--	--
1972	12	589	96%	nr	100%	--
Organic: noncellulosic:						
1982	44	8,263	77	91	99	100%
1977	37	6,380	78	90	99	100
1972	12	3,639	74	91	100	100

(continued)

INDUSTRY CONCENTRATION

Share of Industry Shipments Accounted for by the Largest Companies
1972, 1977, 1982
(continued)

		Industry Shipments				
			Percent Accounted for by Largest Companies:			
	No. of Companies	Mil. $	Top 4	Top 8	Top 20	Top 50
Textile mill products, Major types						
Weaving mills						
Cotton						
1982	209	3,972	41	65	85	97
1977	211	4,431	39	58	79	95
1972	190	2,661	31	48	72	93
Manmade fiber/silk						
1982	342	8,191	40	53	69	85
1977	267	6,326	42	58	76	90
1972	256	3,857	39	54	72	88
Wool						
1982	115	763	45	59	85	97
1977	153	583	31	47	74	95
1972	178	450	38	49	70	90
Narrow fabrics mills						
1982	241	852	20	31	53	78
1977	291	683	17	28	48	73
1972	324	566	20	31	49	71
Hosiery						
Women's, except socks						
1982	180	1,411	58	66	81	95
1977	176	871	50	62	78	94
1972	256	985	35	49	69	87
Other hosiery						
1982	376	1,443	20	29	48	70
1977	382	921	20	30	46	66
1972	375	601	19	29	46	66
Knitting mills						
Outerwear						
1982	896	3,182	19	29	45	64
1977	903	2,336	17	27	46	63
1972	882	1,704	16	26	44	59
Underwear						
1982	72	830	46	65	90	99+
1977	80	649	42	59	85	99
1972	74	545	46	61	85	98
Knit fabrics						
Circular						
1982	384	2,539	22	36	55	75
1977	462	3,169	20	31	51	73
1972	629	2,809	23	31	49	69
Warp knit						
1982	186	1,466	33	50	71	89
1977	213	1,427	26	40	64	86
1972	174	988	27	46	72	91
Finishers: Manmade fabrics						
1982	265	3,186	nr	68	80	91
1977	248	2,404	60	70	80	91
1972	219	1,365	56	64	77	89

(continued)

INDUSTRY CONCENTRATION

Share of Industry Shipments Accounted for by the Largest Companies
1972, 1977, 1982
(continued)

		Industry Shipments				
			Percent Accounted for by Largest Companies:			
	No. of Companies	Mil. $	Top 4	Top 8	Top 20	Top 50
Textile mill products, major types: (continued)						
Yarn mills, except wool						
1982	206	$4,328	22	34	56	82
1977	274	3,865	19	31	51	75
1972	263	2,248	21	31	50	74
Apparel & other textile products, major types:*						
Men's & boys'						
Suits & coats						
1982	443	3,061	25	37	57	75
1977	619	2,768	21	32	48	67
1972	721	2,397	19	31	48	65
Shirts & nightwear						
1982	535	3,478	19	29	48	69
1977	669	2,935	17	28	48	65
1972	516	2,104	22	31	50	69
Women's & misses'						
Blouses, tops						
1982	1,824	3,884	8	14	27	44
1977	1,292	2,334	12	18	30	47
1972	890	1,225	18	26	38	55
Suits, coats						
1982	1,432	4,887	19	28	40	55
1977	1,558	2,913	15	20	31	45
1972	1,548	1,805	13	18	26	40
Dresses						
1982	5,489	4,623	6	10	17	28
1977	6,753	4,189	8	12	19	28
1972	5,295	3,580	9	13	18	28
Underwear, incl. children's						
1982	477	2,602	22	31	45	66
1977	548	1,781	22	29	43	64
1972	609	1,332	15	23	41	63

* Covers selected types of apparel and textile products. For additional details, see specific _Fact Files_ covering types of apparel and of household textiles.

nr not reported.

Source: U.S. Bureau of the Census, Census of Manufactures, _Concentration Ratios in Manufacturing_ (MC82-S-7).

OPERATING/FINANCIAL RESULTS

Natural Yarn Producers

Intense competition from manmade fibers has reduced profit margins for natural yarn producers, but global demands for cotton and wool, and rising prices in recent months will have an impact. The natural fiber sector of the textile industry consists of both large integrated corporations and small units that compete and trade with each other. Competition is particularly keen in the cotton yarn industry. Natural fiber products are in growing demand in U.S. markets for home textiles as well as apparel.

While there is little prospect of suppliers integrating forward, toward end-use markets, there is a prospect of backward integration by large fabric producers, since yarn costs are such a large part of their bottom-line. Large scale operations are in a better position to reduce raw material costs by purchasing large quantities; and vertically integrated companies have the added advantage in that the material can be translated to finished products without large inventory costs.

Smaller yarn producers, however, have greater flexibility in production and can find market niches quickly--an important asset in today's market. The outlook appears to be for a reduction in production overcapacity and more emphasis on specialized products.

Manmade Fiber Producers

Most manmade fiber producers have diverse businesses. The industry is controlled by large multinational chemical companies, with less than a third of their business done in manmade fibers; thus composite company data is not indicative of fiber performance.

Improved operating rates coupled with lower raw material and energy costs contributed to a pickup in earnings in 1986 among major fiber producers, and this continued in the first quarter of 1987. Fiber earnings at Monsanto, DuPont and Allied-Signal were boosted by strong demand for nylon carpet fibers. However, polyester fibers continued to be hurt by apparel imports, and this particularly affected earnings at DuPont, the number one polyester producer in the U.S., and Celanese, the second largest.

Nevertheless, in the first quarter of 1987, sales of the DuPont fibers division increased 9.4% compared with the same 1986 period and represented 18.1% of total company sales. Continued growth in specialty fibers, such as Lycra, Kevlar, Tyvec and Nomex is expected.

The consolidation of Celanese and American Hoechst Corp. was approved by the Federal Trade Commission (FTC) early in 1987, but a divestiture of substantial polyester fiber capacity within the next year was stipulated--meaning the divesting of either most of the Celanese polyester textile fiber business, or all of the American Hoechst polyester business.

Without divestiture, the merger would have created the nation's largest polyester producer, according to the FTC. Celanese's Fortrel polyester fiber accounted for $3 billion in sales in 1985; American Hoechst's Trevira polyester recorded sales of $1.7 billion.

In another development involving polyester, in March 1987, Eastman Chemical announced plans to drop out of polyester filament production and to reduce polyester staple capacity because of depressed prices. It will, however, have a new direct spinning staple fiber plant with 100 million pound capacity.

Manmade Fiber Producers (continued)

In general, overcapacity is a problem for the U.S. industry. Fiber markets are nearly saturated, depending largely on apparel. At the same time, changes are underway in international fiber production. The Far East is expanding output, and may exceed the production level of West Germany and indications are that this production will be a competitive factor in foreign markets; it is not just for internal needs. There is a growing import penetration of fibers, now, in the U.S. To meet this, some U.S. and European producers, such as DuPont, American Enka and Rhone Poulenc, are establishing production facilities in developing nations--following the route taken by many textile and apparel companies. Industry observers feel that U.S. producers will not be successful in competing with imports based on price, alone, while stressing high volume, standard fibers, but must concentrate on the development of specialized fibers and on service.

Major Companies Making Manmade Fibers
(Sales in millions)

Company	Fiber Sales: 1986 Millions of $	Fiber Sales: 1986 % of Sales	Fiber Sales: 1986 % of Income	Apparel Fibers % of Total Fiber Sales: 1986
DuPont	$4,800	18	30	40
Imperial Chemical Inds.	1,169	7	6	na
Courtaulds	1,066	30	34	na
Allied Signal	940	8	na	9
Monsanto	856	12	na	20

na not available

Source: Women's Wear Daily, June 9, 1987.

Textile Manufacturers

After a dismal 1985, textile companies recovered nicely in 1986, reflecting measures taken by the industry to rid itself of excess capacity through consolidations and closures of marginal facilities, the dropping of unprofitable lines, and the maximizing of benefits of sophisticated new technology. Strong market segments, particularly knits, lifted overall results. However, there were fewer companies, fewer employees sharing in the upturn.

Other factors that helped in 1986 included the new cotton price support program which gave U.S. mills access to cotton which was competitively priced (now, however, cotton prices are rising rapidly). A weaker dollar should help exporters this year, though imports continue to gain. Earnings for the survivors in the textile industry should improve, as well as for apparel companies, due to lower interest rates. However, the new tax law will not help the textile industry, with its capital requirements, as much as it might help apparel producers.

Textile Manufacturers (continued)

In general, company managements have shifted emphasis from shipments to profits. Through consolidations, companies have become more competitive, and some, such as West Point Pepperell, which acquired Cluett, Peabody & Co. early in 1986, are repositioning themselves to be international manufacturers and marketers of branded soft goods.

Textile mill corporations are included in quarterly surveys on financial results of U.S. companies compiled by the Economic Surveys Division, Bureau of the Census. Profits after income taxes registered a sharp gain of 67% reaching a record $2.0 billion in 1986. Profits per dollar of sales registered a quarterly average of 3.9%, up from 2.4% in 1985. The rate of net profit on total assets averaged 6.7% compared with 4.0%; while net profit on stockholders' equity average 14.4% last year, up from 8.6% in 1985.

These strong results are a reflection of the tremendous effort exerted in the textile industry to streamline production by restructuring operations and raising productivity through the elimination of slow moving products and obsolete facilities and the installation of new machinery and equipment. Mills with a concentration of business in floor coverings, other home textiles and industrial fabrics are generally doing better than apparel fabric producers who are most vulnerable to competition from imports.

Textile Industry Profit Data: 1979-1986
(Dollar figures in millions)

			Quarterly Average Annual Rate of Profits:		
	Net Sales	Net Profits	Per $ of Net Sales	On Total Assets	On Stockholders' Equity
1986	$51,174	$2,007	3.9	6.7	14.4
1985	50,470	1,200	2.4	4.0	8.6
1984	51,636	1,635	3.2	5.5	11.2
1983	47,993	1,599	3.3	6.1	12.0
1982	41,653	851	2.1	3.7	6.9
1981	48,292	1,157	2.4	4.7	9.4
1980	44,882	977	2.2	4.3	8.4
1979	41,737	1,340	3.2	6.2	11.9

Source: U.S. Department of Commerce, Bureau of the Census: Quarterly Financial Report.

OPERATING/FINANCIAL RESULTS

Textile Manufacturers (continued)

Mergers and acquisitions in the textile industry have greatly shortened the list of publicly-held companies. Included in the companies acquired last year were Cluett, Peabody (acquired by West Point Pepperell in January); M. Lowenstein Corp. (acquired by Springs Industries in December 1985); Cannon Mills (Fieldcrest, January 1986).

An analysis of 1986 financial results for seven publicly-owned mills showed composite profits up a remarkable 293.5%. However, sales were up only 20.4%, mostly due to the inclusion of sales figures of newly-acquired subsidiaries. Because of the unusual conditions involving acquisitions last year, the growth due to replenishment of inventories, industry analysts do not expect 1987 earnings growth to be spectacular in the light of continued growth in imports (though the rate of import growth may be slowed to between 5 and 10% this year from last year's estimated 18%) as well as increased costs for materials and equipment.

Textile Company Sales & Profits: 1985, 1986
(Figures in thousands of dollars)

	Period	Sales		% Change	Profits		% Change
Company	Ending	1986	1985	1986/85	1986	1985	1986/85
Burlington Industries*	12/27	2,804,876	2,832,469	- 1.0	58,128	16,424	+253.9
West Point Pepperell	12/27	2,062,990	1,218,607	+69.3	66,173	32,361	+104.5
J.P. Stevens	11/1	1,671,871	1,698,284	- 1.6	53,687	(15,493)	--
Springs Industries	1/3	1,504,984	1,013,492	+48.5	32,575	13,271	+145.5
Fieldcrest Cannon	12/31	1,083,236	586,092	+84.8	17,389	13,062	+ 33.1
UM&M	12/31	755,115	843,761	-10.5	(31,929)	(20,477)	--
Guilford Mills	12/28	444,476	386,366	+15.0	19,846	15,714	+ 26.3
Totals		10,327,547	8,579,071	+20.4	215,869	54,862	+293.5

(Losses)

* Burlington is currently the target of a takeover attempt by Dominion Textiles, Inc. of Canada and corporate raider Asher B. Adelman. Burlington generates 60% of its assets from apparel fabrics.

Source: Daily News Record, February 19, 1987.

In a report on the textile/apparel industry issued in April 1987 by a Congressional office, it was stated that the top 12 publicly held U.S. textile mills produce about 26% of total dollar sales.

Not reported in published data for 1986 are the results of such significant textile producers as privately-held Milliken & Company (whose sales are estimated at $2.2 billion (Forbes, Nov. 17, 1986) and Collins & Aikman, with sales of over $1.0 billion (which has recently been acquired by the Wickes Companies Inc., Santa Monica, Calif.). Other major companies include Cone Mills (sales estimated at $700 million), Dan River ($400 million).

Apparel Manufacturers (continued)

Unlike the textile industry, there were few takeovers and LBO's in the apparel industry in 1986. More companies went public. However, companies such as Cluette, Claiborne, Kellwood, Oshkosh, Russell, Tultex, Jackey and VF, have sharpened their marketing focus, divested units that didn't fit strategies and concentrated marketing power.

The VF Corp. has become the world's largest publicly held apparel company with the acquisition of Blue Bell late in 1986. The company now has an annual sales rate of about $2.6 billion produced by 12 diversified divisions serving the jeanswear, sportswear, intimate apparel, workwear, and adventure markets. It has replaced Levi Strauss as the largest manufacturer of jeans for the U.S. market. Levi Strauss, which went private in 1985 is still the largest manufacturer of jeans worldwide, and had total sales estimated at $2.6 billion in 1986.

A star performer in the apparel industry has been Liz Claiborne. Sales of this company rose 46.2% in 1986 compared with 1985, and profits rose 42.3%.

Publicly-Held Companies in the Apparel Industry: 1985, 1986
(Figures in thousands of dollars)

Company	Period Ending	Sales		% Change	Profits		% Change
		1986	1985	1986/85	1986	1985	1986/85
Interco*	11/30	2,545,290	2,508,580	+ 1.5	98,532	81,448	+21.0
VF Corp.**	1/3	1,544,574	1,481,182	+ 4.3	129,350	139,417	- 7.3
Hartmarx	11/30	1,063,011	1,109,537	- 4.2	24,775	42,660	-41.9
Liz Claiborne	12/27	813,497	556,553	+46.2	86,194	60,580	+42.3
Oxford	11/28	806,504	843,313	- 4.4	16,465	12,611	+30.6
Kellwood	1/31	542,584	495,447	+ 9.5	24,193	17,913	+35.1
Leslie Fay	12/31	573,401	475,399	+20.6	18,647	10,859	+71.7
Phillips-Van Heusen	2/1	514,387	550,428	- 6.5	20,101	15,935	+26.1
Palm Beach	1/3	394,238	419,065	- 5.9	(5,973)	5,279	--
Manhattan Industries	1/31	335,754	335,469	+ 0.1	(7,419)	(11,008)	--
Bernard Chaus	12/31	298,988	218,993	+36.5	19,828	5,607	+253.6
Farah	1/31	364,464	336,637	+ 8.3	1,412	9,656	-85.4
Russ Togs	1/31	274,332	276,815	- 0.9	13,819	10,986	+25.8
Bayley	1/31	188,936	163,080	+15.9	2,667	(907)	--
Munsingwear	1/31	147,851	114,247	+24.7	3,651	3,020	+20.9
Total	1/3	10,407,811	9,884,745	+ 5.3	446,242	404,056	+10.4

(Losses)

* Not including Blue Bell, acquired November 1986.

**A diversified company involved in retailing, furniture manufacturing, etc., as well as apparel manufacturing.

Source: Daily News Record, April 9, 1987.

Domestic apparel manufacturers in high fashion lines which undergo rapid change have been competing well with imports by offering shorter lead times and better quality control. The apparel industry is also contniuing its $13-million "Crafted with Price in the USA" (or "Buy American") campaign, which is considered to be a success.

Apparel Manufacturers (continued)

The Soft Goods Outlook For 1987, published by Kurt Salmon Associates (December 1986), looked for improved profitability in the apparel industry this year, even though sales may be flat. A factor in this outlook is the expectation that the new tax law will benefit the industry by lowering corporate tax rates. Inventories are expected to be in better control, and improvements are being made in marketing, sourcing and merchandising. The Crafted With Pride campaign, and the fact that U.S. retailers are increasing their sourcing at home--and may be doing this even more than anticipated by Kurt Salmon because of rapidly developing quota/delivery/pricing problems this year--are factors in the improved outlook for the apparel industry as of early 1987.

FIBER & YARN PRODUCTION/SHIPMENTS/CONSUMPTION

Natural Fibers

Cotton/Cotton System

The situation in cotton has changed tremendously. A year ago U.S. producers were overwhelmed by artificially high, government-supported prices, lagging demand, overproduction and surplus stock. The export market has dwindled. Effective August 1, 1986, the Department of Agriculture reduced price supports to allow U.S. cotton to fall to the prevailing world level and remain competitive. At the same time, payments were made to the owners of 3.2 million bales of cotton to protect them from the sudden drop in the value of their holding and to prevent a disruption in the domestic textile market.

Cotton prices collapsed from nearly 50 cents a pound to 30 cents. Then a number of factors combined to completely change the position of U.S. cotton. Demand on the part of consumers for 100% cotton fabrics mushroomed worldwide, while bad weather sharply curtailed cotton production in China. U.S. mills stepped up use of the now less-expensive domestic cotton. According to the National Cotton Council, consumption is expected to rise from 6.4 million bales to 7 million this growing year which ends in July. U.S. cotton exports, which totaled just under 2 million bales last season, are projected to climb to 6.75 million this season. Stocks of cotton which were enormous--8.35 million bales at the start of the 1986-1987 season--have been whittled down to 5.4 million, according to the USDA. World production is expected to decline 12% while global consumption rises for the sixth year in a row. As of May, 1987, U.S. cotton prices were at around 65 cents a pound and might go to 70 cents, as world stocks are diminished, according to trade sources.

U.S. farmers are expected to increase acreage devoted to cotton crops by 3% in the 1987-1988 crop year, to reach a total of 10.4 million acres. If yields are "normal", output would total 11.5 million bales in the coming season, which would be 18% above the 1986-1987 crop.

The demand by U.S. consumers for 100% cotton in apparel and home textiles, particularly bedsheets, is expected to remain strong. It is very important in the women's sweater market and picking up now in men's sweaters. However, styling in sweaters, especially women's, is expected to change from the long, bulky look to more conventional styling. As the oversize fashions accounted for a reported 10% to 15% of gross pounds of yarn produced in 1986, greater use in men's sweaters will help pick up the slack in demand. Knit fabrics and denims are strong. Cotton's share of the cotton spinning system in the U.S. rose to 66% in 1986, according to Cotton Inc., up from 60% in 1980. Cotton's share of the market for apparel and home furnishings, not including carpeting, rose to 44% last year from 42% in 1985, and a 34% share in 1975.

Natural Fibers (continued)

Cotton/Cotton System

Cotton System Fiber Consumption (On Cotton System Spindles)
(Cotton: thousands of running bales; manmade fiber: millions of pounds)

	Cotton	Manmade Fibers
1986	6,367	1,711.8
1985	5,497	1,606.0
1984	5,303	1,731.2
1976	6,833	1,838.9

Source: U.S. Department of Commerce, Bureau of the Census.

Wool/Wool System

Consumption of wool in the U.S. has soared with the growth of a quality-conscious, upscale consumer market, which has a preference for natural fibers. Average weekly consumption of apparel wool on the woolen system reached 2,562 thousand pounds in 1986, almost 25% over the 1985 average of 2,052 thousand pounds.

Over 60% of the apparel wool consumed in the U.S. is imported, and importers are faced with sharp increases in prices. Because of the burgeoning demand for wool on the part of Japan, China and the Soviet Union, the price of wool in the past six months in Australia--the world's biggest producer and exporter of apparel wool fibers--has surged over 20% in the first three months of 1987, following a gain of 6% in the last three months of 1986.

Meanwhile, prices on wool grown in the U.S shot up about a dollar a pound--an increase of nearly one-third over levels of last year--as of April 1987. The national average wool price was currently estimated at around $.95 to $1.00 a grease pound compared with a 1986 average of 66.8 cents.

According to the Wool Bureau, a pound of clean wool yields about 1 1/2 yards of average-weight woolen sportswear fabric, or about three-quarters of a yard of average-weight coating fabric. Raw materials constitute about half the cost of U.S. fabrics, so sharp increases in the cost of wool products are anticipated by Fall 1988.

Mill use of apparel class raw wool increased in 1986 to 126.8 million pounds compared to 106.1 million pounds in 1985. Carpet class raw wool decreased to 10 million pounds compared with 10.6 million in 1985. Manmade fiber mill usage increased to 472.7 million pounds in 1986, up from 428.2 million pounds in 1985, according to a Census Bureau survey covering all establishments consuming fibers in woolen spinning and/or producing tops and noils (including commission work on materials owned by others). The survey covered 150 establishments accounting for 90% of total consumption.

Natural Fibers (continued)

Wool/Wool System

Summary of Fibers Consumed in Woolen Spinning & Worsted Combing: 1982-1986
(millions of pounds)

	1986	1985	1984	1982
All fibers	644.0	570.0	628.4	558.0
Raw wool	136.7	116.6	142.1	115.7
Apparel class	126.8	106.0	129.0	105.9
Wool system	66.3	55.7	65.2	48.3
Worsted combing	60.5	50.3	63.8	57.5
Noils, reprocessed & reused wool, and other fiber*	34.6	25.2	38.1	25.3
Other fibers (cotton, jute, other vegetable fibers)	472.7	428.2	448.2	417.0

* Includes mohair, alpaca, vicuna and other specialty fibers.
Note: fiber consumption in cotton system spinning is not included in the above table. See the section on Yarns.

Source: U.S. Bureau of the Census, Current Industrial Reports: Consumption on the Woolen System & Worsted Combing (M22D(86)-13).

Manmade Fibers: Production

A review of annual production information from 1973 through 1986 on manmade fibers, compiled by the Textile Economics Bureau, shows that output by U.S. producers reached a highpoint in 1979 when noncellulosic fibers totaled 9,348 million pounds (noncellulosics representing 90%).

For the year 1986, total manmade fiber production in the U.S., not including glass fibers, amounted to 8,447 million pounds. This was a 4.0% improvement over the 1985 level, but 9.6% below the 1979 total. Output of cellulosics have fallen sharply. These fibers (rayon and acetate) accounted for 7.3% of manmade fiber output last year compared with 24.5% in 1971. Compared with 1979, production of cellulosic fibers in 1986 was off by 33%.

Review of Manmade Fiber Production by U.S. Producers & Capacity Utilization: Selected Years 1973-1986
(Production in millions of pounds)

	Total		Noncellulosic		Cellulosic	
Year	Production	Utilization	Production	Utilization	Production	Utilization
1973	7,654	89.9%	6,297	89.7%	1,357	90.9%
1975	6,624	68.6	5,875	69.8	749	60.5
1977	8,200	78.7	7,312	78.2	888	83.5
1979	9,348	85.8	8,418	86.0	930	83.9
1981	8,752	82.6	7,982	82.3	770	85.7
1983	8,174	80.0	7,534	80.4	640	75.7
1985	8,122	78.5	7,564	79.1	558	71.2
1986	8,447	84.7	7,828	84.5	619	87.3

Note: Data on glass fibers cannot be published due to company disclosure. Textile glass fiber for the latest year available, 1982, amounted to 889 million pounds. Capacity in 1986 amounted to 1,763 million pounds (compared with 1,718 million in 1982).

Source: Textile Economics Bureau: Textile Organon (January, March 1987).

Manmade Fibers: Production (continued)

Capacity utilization rates for manmade fibers picked up sharply in 1986 due both to capacity cutbacks and to improved demand. For noncellulosics, the rate rose to an average 84.5%--up from 79% in 1984 and 1985, and only 69% in 1982. At the end of last year, the rate was about 90% and has held at that rate in the first quarter of 1987.

Acrylic staple registered the highest reported capacity utilization rate on manmade fibers in 1986--96.7%, according to the Textile Economics Bureau. However, some observers view the industry as vulnerable to shifts in consumer demand which would result in too much acrylic fiber capacity in the U.S., perhaps by next year. An executive of a major acrylic producer, Monsanto Chemical Co., has predicted that demand will drop to 470 million pounds from the current peak of 530 million pounds (DNR, April 17, 1987). Nevertheless, in the first quarter of 1987, the acrylic capacity utilization rate was over 99%.

Polyester staple--the largest component of the manmade fiber total--registered a 5.5% gain in production in 1986 over 1985, but filament dropped over 11%. The capacity utilization rate for poly staple by th end of last year was well over 90% and was reported to have averaged 93% in the first quarter of 1987, up from 78% for the same 1986 period. For filament, the first quarter rate was only 82%; however, it is expected to improve though shipments will be down because of plant shutdowns by Eastman.

In the first quarter of 1987, the capacity utilization rate for rayon staple was 88%, compared with 79% in 1986, but production fell here too, due to plant shutdowns. Acetate yarn was also down, as this segment continues to be hurt by the loss of lining business caused by imported garments. Capacity utilization dropped to 70% compared with 77% in the 1986 period.

Manmade Fiber Production: 1982-1986
(Millions of pounds)

					Percent Change	
	1986	1985	1984	1982	1986/85	1986/82
Total reported	8,446.7	8,121.3	8,100.4	7,044.3	+ 4.0%	+ 19.9%
Cellulosic fibers (rayon/ acetate)	619.0	557.8	628.7	584.4	+11.0	+ 5.9
Yarn+monofilament	214.8	204.6	239.1	228.4	+ 5.0	- 5.9
Staple+tow	404.2	353.2	389.6	356.0	+14.4	+ 3.7
Noncellulosics	7,827.7	7,563.5	7,471.7	6,459.9	+ 3.5	+ 21.2
Yarn+monofilament	3,835.9	3,790.2	3,524.4	3,057.4	+ 1.2	+ 25.5
Nylon	1,605.5	1,514.8	1,577.3	1,241.6	+ 6.0	+ 29.3
Olefin	1,057.7	954.5	747.1	585.2	+10.8	+ 80.7
Polyester	1,172.7	1,320.9	1,200.0	1,213.6	-11.2	- 3.4
Staple+tow+fiberfill	3,991.8	3,773.3	3,947.3	3,402.5	+ 5.8	+ 17.3
Nylon	908.3	827.7	834.8	685.9	+ 9.7	+ 32.4
Acrylic/modacrylic	615.9	630.8	670.8	624.1	- 2.4	- 1.3
Polyester	2,132.3	2,020.1	2,191.8	1,955.2	+ 5.5	+ 9.1
Olefin, vinyon	335.3	294.7	249.9	138.2	+13.8	+142.6

Source: Textile Economics Bureau: Textile Organon (March 1987).

Manmade Fibers: Production (continued)

In May 1987, DuPont, the world's largest producer of nylon, announced plans to spend $100 million to update apparel nylon production in the U.S.; and the company has recently upgraded its Lycra spandex production facilities in the U.S. and abroad. Production of textile nylon requested a strong gain in 1986. Allied Fibers launched its new co-polymer nylon fiber, Hydrofil, last year, designed specifically for the burgeoning high performance activewear market.

Capacity Utilization Rates in U.S. Manmade Fiber Plants: Selected Years - 1976-1986

	1986	1985	1984	1982	1979	1976
Cellulosic fibers	87.3	71.2	74.3	65.2	83.9	70.5
Yarn+monofilament	88.1	76.2	72.2	69.6	87.0	73.3
Staple+tow	86.9	68.5	75.7	69.3	81.9	68.5
Noncellulosics	84.5	79.1	79.0	69.0	86.0	72.6
Yarn+monofilament	83.9	81.2	78.7	66.8	81.0	67.7
Nylon, total	88.9	81.1	86.0	64.9	87.3	73.9
Textile	90.5	75.8	83.8	69.0	91.2	77.7
Polyester, total	82.3	89.8	79.8	75.7	80.1	65.6
Textile	83.5	93.6	76.1	72.8	79.0	62.5
Olefin	78.8	71.8	65.5	56.3	69.3	59.9
Staple+tow	85.6	77.2	79.3	71.1	91.5	78.1
Nylon	84.3	77.6	79.2	70.0	92.1	77.3
Polyester	85.6	72.5	78.7	72.4	92.1	82.2
Acrylic/modacrylic	96.7	100.0	83.1	75.0	90.7	71.5
Olegin+vinyon	73.3	72.5	74.4	50.9	82.2	50.8

Source: Textile Economics Bureau: Textile Organon (January 1987).

Data on glass fiber production is not included because of company disclosure rules. Textile glass fiber for the latest year available, 1982, amounted to 899 million pounds. Capacity in 1986 amounted to 1,763 million pounds.

Total shipments of all manmade fibers/yarns by U.S. producers in 1986 amounted to 8,415 million pounds according to the Textile Economics Bureau. This was 2.8% over the 1985 total, but there was considerable variation in the performance of specific fibers. In the last quarter of 1987, domestic shipments of all manmade fibers gained 7% over the comparable 1986 period.

While 1986 was a good year for U.S. fiber companies' domestic shipments, exports were down sharply in most cases. Domestic shipments for the year of all cellulosic and noncellulosic fibers were up 5.5%, totaling 7,924.2 million pounds, representing 94.2% of total shipments last year. In 1985, domestic shipments totaled 7,511.9 million pounds, representing 91.8% of total shipments.

FIBER & YARN PRODUCTION/SHIPMENTS/CONSUMPTION

Manmade Fibers: Shipments

Exports in 1986 of all manmade fibers dropped about 27%, from 671 million pounds to 491.4 million. Fiber industry spokesmen cite two reasons for the drop, despite a weakening dollar: Asian markets are drying up as these countries, particularly China, are becoming more self-sufficient in manmade fibers, and in 1986, more U.S. production was shifted to an improving domestic market which offers greater profits. Reasons, of course, vary according to a particular fiber. Total manmade fiber imports, on the other hand, increased 18.3%, to reach 343.3 million pounds last year, with cellulosic fibers accounting for most of the gain.

Total Manmade Fiber Shipments by U.S. Producers: 1983, 1985, 1986
(Millions of pounds & percent change)

	Millions of Pounds			Percent Change	
	1986	1985	1983	1986/85	1986/83
Total manmade	8,415.1	8,182.4	8,129.3	+ 2.8%	+ 3.5%
Yarn + Monofilaments					
Cellulosic yarn*	212.3	210.1	225.8	+ 1.0	- 6.0
Noncellulosics listed:	3,821.8	3,799.4	3,572.7	+ 0.6	+ 7.0
Nylon:	1,592.4	1,535.8	1,497.6	+ 3.7	+ 6.3
Textile**	360.5	355.3	416.9	+ 1.5	-13.5
Industrial	333.4	345.1	318.1	- 3.4	+ 4.8
Carpet	898.5	835.4	762.6	+ 7.5	+17.8
Polyester:	1,169.7	1,312.5	1,360.9	-10.9	-14.0
Textile**	855.8	1,020.4	1,053.1	-16.1	-18.7
Industrial	313.9	292.1	307.8	+ 7.5	+ 2.0
Olegin	1,059.7	951.1	714.2	+11.4	+48.4
Staple+Tow+Fiberfill					
Rayon	403.8	358.7	377.4	+12.6	+ 7.0
Noncellulosics listed:	3,977.2	3,814.2	3,953.4	+ 4.3	+ 0.6
Nylon (excl. Aramid)	908.2	843.6	911.2	+ 7.7	- 0.3
Acrylic+Modacrylic	614.1	643.8	654.7	- 4.6	- 6.2
Polyester	2,123.4	2,038.6	2,197.8	+ 4.2	- 3.4
Olefin+Vinyon	331.5	288.2	189.7	+15.0	+74.7

* Data for 1983 covers acetate only; 1985 and 1986 includes both rayon and acetate.

**Low denier industrial nylon and polyester are now included with Textile.

Source: Textile Economics Bureau: Textile Organon (March 1987).

Manmade Fiber Shipments, Exports, Imports: 1985, 1986
(Millions of pounds)

	Shipments to Domestic Consumers		Exports		Imports	
	1986	1985	1986	1985	1986	1985
Manmade fiber total	7,924.2	7,511.9	491.4	671.0	343.3	290.2
Cellulosic	565.6	511.3	51.0	58.0	34.4	26.2
Noncellulosic	7,358.6	7,000.6	440.4	613.0	308.9	264.0

(continued)

Manmade Fibers: Shipments (continued)

Manmade Fiber Shipments, Exports, Imports: 1985, 1986

(Millions of pounds)
(continued)

	Shipments to Domestic Consumers		Exports		Imports	
	1986	1985	1986	1985	1986	1985
By fiber type:						
Yarn+monofilament						
Cellulosic	192.1	187.1	20.2	23.0	17.0	13.9
Noncellulosic	3,621.2	3,559.2	200.6	240.2	126.1	104.6
Staple+tow						
Cellulosic	373.5	324.2	30.8	35.0	17.4	12.3
Noncellulosic	3,737.4	3,441.0	239.8	372.8	182.8	159.4

Source: Textile Economics Bureau: Textile Organon (March 1987).

Yarn and fiber producers have benefited from the tremendous popularity of large bulky sweaters as well as demand for fleece wear, most of which is produced in the U.S. Demand in 1987 for most fibers is generally expected to hold steady in 1987, though the growing popularity of cotton may make some inroads on manmade fibers' market share. A trend toward heavier weight fabrics in fleece has been reported, involving cotton/acrylic blends.

Producers are turning more attention to fibers designed for specific end uses, rather than the older practice of developing markets after the development of a fiber. Celanese, for example, has developed a chemically treated Comfort Fiber, which mimics the comfort qualities of cotton while retaining the performance properties of manmade fibers. DuPont, too, has introduced a cotton-like staple polyester fiber--identified as type 720W Dacron--which is expected to replace all conventional Dacron polyester over the next five years.

Shipments of Specified Manmade Fibers By U.S. Producers To Domestic Consumers: 1985, 1986

(Millions of pounds)

	1986	1985	% Change 1986/85
Nylon, total	2,374.5	2,247.7	+ 5.6%
Filament	1,479.6	1,417.4	+ 4.4
Staple	894.9	830.3	+ 7.8
Acrylic staple	531.2	458.7	+15.8
Olefin	1,049.2	937.6	+11.9
Polyester	3,091.0	3,076.9	+ 0.5
Filament	1,092.4	1,204.2	- 9.3
Staple	1,998.6	1,872.7	+ 6.7
Other staple	312.7	279.7	+11.8

Source: Textile Economics Bureau.

Manmade Fibers: Shipments (continued)

While domestic shipments of acrylic gained, exports dropped 55% to 83 million pounds compared with 1985's total of 185 million pounds. Exports of polyester staple fell to about 125 million pounds, down 25% compared with the 166 million pound 1985 total. Polyester filament exports dropped about 44% in 1986 from the 1985 total, reaching 48 million pounds. Rayon staple exports dropped 12% to about 31 million pounds. Going against the trend, exports of textile nylon gained 3%, to reach a 1986 total of 10 million pounds.

Reports on manmade fiber domestic shipments in the first quarter of 1987, released by the Textile Economics Bureau, show a good start for the year. Compared with the same period in 1986, shipments of acrylic staple (pounds) were up about 13%; polyester staple, up 6.5%. Exports of acrylic staple, however, were down 50%. Nylon filament domestic shipments for carpet applications were up 10% but for textile applications, the gain was only about 1%.

Domestic rayon staple shipments for the first quarter this year were about even with a year ago, though there were some plant shutdowns. Exports were up somewhat. Acetate yarn shipments declined nearly 20%. Plans are underway to hike prices of some fibers by Summer 1987 (polystaple, for one).

Domestic Shipments of Manmade Fibers By Major Category: 1984-1986
(Millions of pounds)

	1986	1985	1984	% Change 1986/85
Woven products: total	2,140.1	2,073.7	2,232.8	+ 3.2%
Polyester	1,277.7	1,309.9	1,475.5	- 2.5
Rayon (yarn & staple)*	218.0	174.9	177.7	+24.6
Olefin	307.0	267.9	242.3	+14.6
Nylon	147.1	139.9	173.1	+ 5.1
Acetate*	128.3	112.8	109.5	+13.7
Acrylic	62.0	68.4	54.7	- 9.4
Knit products: total	1,420.1	1,295.8	1,253.0	+ 8.6
Polyester	687.1	638.3	591.4	+ 7.6
Nylon	251.5	257.5	261.2	- 2.3
Acrylic	425.1	336.3	323.3	+26.4
Acetate*	49.8	55.6	69.5	-10.4
Rayon (yarn & staple)*	6.6	8.1	7.6	-18.5
Carpets: total	2,601.6	2,380.7	2,131.4	+ 9.3
Nylon	1,719.2	1,589.3	1,521.2	+ 8.2
Olefin	737.0	664.1	478.4	+11.0
Polyester	145.0	126.8	131.4	+14.3
Rayon	0.4	0.5	0.4	-20.0

* Rayon yarn is included with acetate in 1985 and 1986.
Note: The above table includes broadwoven fabrics, knits and carpets, only.

Source: Textile Economics Bureau.

Manmade Fibers: Shipments (continued)

Value of Manmade Fiber Shipments By U.S. Producers: 1982-1985
(Millions of dollars)

	1985	1984	1983	1982	% Change 1985/82
Total reported	$16,948.6	$18,245.8	$17,783.4	$15,414.5	+ 9.9%
Cellulosic (rayon & acetate)	991.5	1,103.7	1,207.3	1,114.8	-11.1
Noncellulosic fibers, total	7,978.6	8,571.0	8,288.0	7,149.8	+11.6
Nylon*	2,230.8	2,662.8	2,510.6	1,891.1	+18.0
Acrylic & modacrylic*	525.4	562.2	578.7	595.5	-11.8
Polyester*	2,905.1	3,147.3	3,111.6	2,679.1	+ 8.4
Other*	662.2	586.6	518.8	445.9	+48.5
Producer textured	1,626.8	1,581.3	1,543.6	1,519.7	+ 7.0
Type not specified	28.2	30.9	24.8	18.6	+51.6

* Except producer textured.

Source: U.S. Bureau of the Census: (Value of Product Shipments) Annual Survey of Manufactures (M85(AS)-2).

Total Fiber Consumption

Reported Fiber Consumption By U.S. Textile Mills: 1982-1986
(Millions of pounds)

Year	Total	Cotton	Manmade Fibers	Wool	Silk
1986	11,916.0	3,297.5	8,454.0	164.5	3.0
1985	10,969.2	2,796.0	8,035.0	134.7	3.0
1984	10,623.9	2,668.2	7,789.5	163.2	3.0
1983	10,954.7	2,795.7	7,994.5	162.5	2.0
1982	9,263.9	2,478.9	6,653.5	129.5	2.0

Source: Textile Economics Bureau and U.S. Dept. of Agriculture.

Cotton consumption, overall, rose about 18% in 1986 compared with 1985. This gain was at the expense of polyester, as consumer preferences shifted to natural fibers, as well as to heavier weight denim. Lower cotton prices and improvements in cotton yarns were also factors in its increased use.

Total Fiber Consumption (continued)

Per Capita Consumption of Fibers in the U.S.: 1970, 1975, 1980, 1985
(In pounds)

Year	Total*	Cotton	Wool	Rayon/Acetate & Other Manmade	Flax & Silk**
1985	57.3	17.7	1.5	38.1	.02
1980	49.9	14.6	0.9	34.4	.01
1975	46.3	14.7	0.7	30.9	.02
1970	47.0	20.1	1.7	25.2	.04

* Excludes nontextile glass fiber.
**Mill use

Source: U.S. Department of Agriculture: Cotton and Wool Situation and Outlook Yearbook (CWS 46, Aug. 1986).

The major end uses of textile mill products include apparel, home furnishings, and industrial/specialty products. Apparel's share of fiber consumption has remained at about 37% since 1979, whereas the share held by home furnishings grew from 31 to 38%. Industrial textile products consume over 20% of fibers, according to the Textile Economics Bureau.

Yarns

Information on U.S. production of spun and textured yarns is reported annually by the U.S. Census Bureau. Data for 1986 will not be issued until later this year. Trade information indicates that yarn spinners are benefiting from the popularity of fleece in active/casual wear and from the current demand for over-sized sweaters and heavyweight T-shirts. Sales are up in spite of increasing imports of both yarn and finished garments. According to the American Textile Manufacturers Association (ATMA), imports of cotton and cotton/polyester combed and carded yarns increased 458% between 1980 and 1986 and were up 92.3% in 1986 compared with 1985.

Attrition in U.S. yarn spinning, as in the other branches of the textile industry, has been intense; 250 spinning and weaving plants have closed since 1980. Survivors are racking up substantial increases in business, with gains in both domestic and foreign orders--the latter picking up with the decline in the value of the dollar. Technological improvements have enabled spinners to greatly improve productivity. The replacement of ring spinning of yarn by rotor and friction spinning is reported to have increased production tenfold.

Gains in sales are anticipated through 1987 and 1988, particularly in knitting yarns, but carrying over to weaving yarns, especially cotton. The following figures on production of textured and spun yarns in the U.S. are compiled by the Census Bureau through surveys among all known producers (approximately 150 establishments produce textured yarns and 675 produce spun yarns).

Yarns (continued)

Textured yarns include production directly from fiber, as well as the texturizing of yarn produced by others. For spun yarn, the surveys covered companies spinning yarn from staples, tow, and uncut top on any textile-type system of machinery.

Explanation of terms:

FOR OWN USE:	Produced for consumption in the yarn producing plant or in other plants under the same or affiliated ownership.
ON COMMISSION:	Produced from yarns owned by other companies not under the same ownership or affiliated with the yarn producing plant.
FOR SALE:	Produced for sale to other companies not affiliated with the yarn producing company.

Yarns: Textured

Textured yarn production in 1985 amounted to 2,442.8 million pounds, an increase of 4.7% from 1984, according to the Census Bureau. Polyester weaving yarn rose 16.5% while polyester knitting yarn increased 6.7%. Nylon carpet and rug yarn gained 3.5%.

Textured Yarn Production in the U.S.: 1982, 1984, 1985
(Millions of pounds)

	1985				Total	
	Total	For Sale	For Own Use	On Commission	1984	1982
Textured, crimped, bulked filament						
Yarn total	2,442.8	1,757.9	598.3	86.6	2,333.5	2,137.1
Nylon	1,396.3	1,089.1	255.8	51.4	1,354.5	998.7
Polyester	817.5	484.7	297.6	35.2	739.7	962.4
Rayon, acetate & other	228.9	184.0	44.9	*	239.3	176.1

Apparent Consumption of Textured Yarn: 1985
(Quantity in thousands of pounds; value in thousands of dollars)

	Cellulosic		Noncellulosic	
	Quantity	Value	Quantity	Value
Domestic production	191	na	2,442,580	na
Exports	102	297	173,385	192,243
% exports to production	53.4%	na	7.1%	na
Imports for consumption	193	315	74,375	92,236
Apparent consumption**	282	na	2,343,570	na
% imports to apparent consumption	68.4%	na	3.2%	na

na not available

* A small quantity of rayon, acetate or other yarn produced on commission is included with "for own use" to avoid disclosure.

** Apparent consumption is equal to domestic production, plus U.S. imports, minus exports. Import value is c.i.f. (cost, insurance, freight).

Source: U.S. Bureau of the Census: Current Industrial Reports (MA22F.1).

FIBER & YARN PRODUCTION/SHIPMENTS/CONSUMPTION

Yarns: Spun

In 1985, spun yarn production totaled 5.7 billion pounds, decreasing 1.7% from 1984. Only cotton showed an increase, at 2.1%, based on fiber types. In terms of end use, increases were noted for machine knitting yarns and for carpet/rug yarns, but weaving and other end uses were down compared with 1984. When available, 1986 data will undoubtedly show a good gain for knitting yarns, as well as a pickup from 1985 levels in other end uses.

Spun Yarn Production in the U.S. 1982, 1984, 1985
(Millions of pounds)

Total & Selected Fiber Types:	1985				Total	
	Total	For Sale	For Own Use	On Commission	1984	1982
Spun yarns, total	5,733.2	1,836.5	3,948.8	47.9	5,832.2	5,284.3
Selected yarns:						
Cotton	2,153.9	601.9	1,551.9	*	2,108.8	1,487.2
Cellulosic	135.0	42.4	nr	nr	157.4	131.6
Wool	111.4	23.1	81.0	7.3	126.1	87.8
Noncellulosic	3,328.4	1,167.2	2,120.8	40.4	3,435.1	1,478.0
100% acrylic	280.2	216.0	62.2	2.0	290.3	56.2
100% polyester	375.8	196.7	nr	nr	410.3	160.0
Blends: Chiefly polyester-cotton	1,465.4	nr	1,237.9	nr	1,548.3	1,123.5
100% nylon	818.7	341.0	448.0	29.7	794.5	26.5
Selected yarn types:						
Weaving yarn, excl. carpet	3,320.6	330.9	2,978.5	11.1	3,416.2	3,249.0
Machine knitting	1,248.5	927.9	316.0	4.7	1,244.6	1,074.0
Hand knitting	63.6	54.6	nr	nr	67.4	84.3
Carpet/rug	940.9	414.9	496.6	29.4	937.2	709.4
Other	159.6	108.2	nr	nr	166.9	167.6

Apparent Consumption of Spun Yarn: 1985
(Quantity in thousands of pounds; value in thousands of dollars)

	Cotton		Wool		Manmade	
	Quantity	Value	Quantity	Value	Quantity	Value
Total production**	2,153,866	nr	111,425	nr	3,463,426	nr
Sales yarn						
Exports	601,817	nr	23,138	nr	1,209,624	nr
Imports for consumption	10,237	19,699	460	2,953	43,642	72,270
Apparent consumption	27,553	41,527	11,568	65,840	33,968	64,699

nr not reported as it represents a relatively small quantity.
* Included in "for own use".
**Other fibers not listed, are not included in figures.

Source: U.S. Bureau of the Census: Current Industrial Reports (MA22F.2).

Value of Yarn Shipments

The value of shipments of yarn (except wool) by U.S. producers amounted to $5.1 billion in 1985, down almost 6% compared with 1984.

Value of Yarn Shipments: 1982-1985
(Millions of dollars)

	1985	1984	1983	1982
Yarn mills, except wool	$5,119.4	$5,436.5	$5,291.6	$4,519.6
Carded cotton yarns	1,121.5	1,184.0	1,147.5	939.2
Combed cotton yarns	334.5	388.7	410.2	450.5
Rayon, acetate yarns	238.2	235.4	238.9	149.3
Spun noncellulosic fiber & silk yarns	3,362.4	3,576.5	3,416.9	3,001.2
Spun yarns, gray or finished, type not specified	62.8	51.8	78.0	79.3
Throwing & winding mills	2,447.2	2,421.4	2,339.8	2,002.5
Selected types:				
Textured, crimped or bulked filament yarn made from purchased filament yarn	1,972.0	1,873.1	1,753.8	1,487.5
Wool yarn mills	250.1	309.1	311.1	248.2

Source: U.S. Bureau of the Census: Annual Survey of Manufactures.

Yarn Consumption

Yarn Consumption in U.S. Mills: 1980, 1984, 1985
(Millions of pounds)

	1985	1984	1980	% Change 1985/1980
Total reported	--	6,334.1	6,522.3	--
Broadwoven fabrics	nr	4,658.2	4,772.0	--
100% filament yarn	nr	1,575.2	1,457.4	--
Rayon, acetate, triacetate	nr	153.8	126.7	--
Polyester	nr	483.9	464.0	--
Saran, olefin	nr	418.2	318.9	--
Glass	nr	170.5	167.5	--
Nylon	nr	321.3	363.9	--
Other	nr	28.0	16.4	--
Spun yarns	nr	2,961.6	3,206.0	--
100% cotton	nr	1,233.5	1,356.3	--
100% acrylic	nr	40.9	28.6	--
100% polyester	nr	145.2	137.1	--
100% wool	nr	63.0	34.1	--
Rayon, acetate: 100% or cotton blends	nr	91.2	97.7	--
Polyester/cotton blends	nr	1,218.9	1,372.6	--
Polyester/wool blends	nr	41.7	22.2	--
Polyester/rayon blends	nr	127.1	157.4	--
All other yarns	nr	121.1	108.6	--

(continued)

Yarn Consumption (continued)

Yarn Consumption in U.S. Mills: 1980, 1984, 1985
(Millions of pounds)
(continued)

	1985	1984	1980	% Change 1985/1980
Knit fabrics	1,589.6	1,523.9	1,612.7	- 1.4%
Sliver, all fibers	95.1	77.5	78.0	+ 21.9
Filament yarns	454.3	446.8	721.1	- 37.0
Flat:				
Polyester	97.3	74.4	93.9	+ 3.6
Acetate, triacetate	65.8	74.9	102.3	- 35.7
All other yarns	62.1	68.3	73.9	- 16.0
Textured:				
Polyester	138.3	139.8	306.9	- 54.9
Nylon	79.3	82.6	107.8	- 26.4
All other yarns	11.5	6.9	36.3	- 68.3
Spun yarns	920.4	887.9	729.1	+ 26.2
100% cotton	277.7	267.0	247.2	+ 12.3
All acrylic & acrylic blends	257.0	209.3	197.5	+ 30.1
Polyester and cotton blends	386.7	411.6	284.4	+ 36.0
All other yarns & not specified	119.8	111.5	84.5	+ 41.8
Narrow fabrics (yarn total)	142.4	152.0	137.6	+ 10.5
Cotton yarns	24.2	30.6	33.9	- 28.6
Filament rayon & acetate yarns	10.9	12.3	25.1	- 56.6
Filament nylon yarns	26.9	27.9	35.0	- 23.1
Filament glass yarns	6.7	4.5	4.3	+ 55.8
Bare rubber thread	9.7	8.8	12.8	- 24.2
Polyester yarns	51.0	53.2	nr	--
Bare spandex thread	0.9	0.8	0.5	+ 80.0
Covered thread	1.6	1.3	1.3	+ 23.1
Spun rayon yarns	1.7	1.0	1.1	+ 54.5
Saran & olefin yarns	6.4	6.0	5.4	+ 18.5
Other yarns	14.6	16.5	32.8	- 55.5

nr not separately reported

Source: U.S. Bureau of the Census: Current Industrial Reports.

PRODUCTION OF TEXTILES & APPAREL

The Board of Governors, Federal Reserve System, compiles monthly indexes measuring production in the U.S. in major industry classifications. The March 1987 textile mill index, seasonally adjusted, was 118.5 (1977=100), gaining 9.6% over the index a year earlier (108.0). Trends in production of specific types of manmade fibers have been outlined in previous sections of this FACT FILE, as well as fabrics.

The FRB index for apparel production in 1986 averaged only 2.3% above 1985. In February 1987, however, the index (seasonally adjusted) hit 108.2, up 5.2% over the February 1986 index (102.8)

Production Levels in the Fiber/Textile Apparel Complex
(Annual average indexes, 1984-1986 based on 1977=100)

	1986	1985	1985	% Change 1986/85
All U.S. manufacturing*	129.1	126.4	123.4	+ 2.1%
Manmade fibers	98.5	95.3	94.1	+ 3.4
Textile mill products	113.2	103.2	104.2	+ 9.7
Fabrics	110.3	98.3	99.1	+12.2
Cotton fabrics	130.6	108.4	101.7	+20.5
Manmade fiber fabrics	101.5	93.8	99.1	+ 8.2
Knit goods	106.2	101.0	100.4	+ 5.1
Hosiery	155.0	145.0	143.0	+ 6.9
Knit garments	92.3	88.4	88.2	+ 4.4
Fabric finishing	85.7	81.5	93.1	+ 5.1
Carpeting	148.7	139.8	127.4	+ 6.4
Yarns & misc. textiles	120.2	105.7	109.8	+13.7
Apparel & other textile products	103.2(p)	100.9	102.7	+ 2.3

(p) preliminary

Source: Board of Governors, Federal Reserve System (G.12.3).

In the Economic Outlook report issued late last year by the Chamber of Commerce of the U.S., it was anticipated that textile production would increase by 2.3% in 1987. A gain--but at a slower pace--was also anticipated in the apparel industry.

Based on capacity and capacity utilization rates available from the FRB in the early months of 1987, the textile mill products industry was operating at rates above the comparable period a year ago. For the year 1986 the industry's capacity utilization rate was at a seven year high. It averaged 91.4% compared with 84.0% in 1985, 83.3% in 1980, and a low of 73.6% in 1982. As of March 1987, the rate, seasonally adjusted, was at 94.6% of capacity.

Average Annual Capacity Utilization Rate: 1980-1986
For Textile Mill Products

1986(p)	1985	1984	1983	1982	1981	1980
91.4%	84.0%	85.4%	83.2%	73.6%	80.9%	83.3%

(p) preliminary

Source: Board of Governors, Federal Reserve System (G.3 (402).

PRODUCTION OF TEXTILES & APPAREL

Broadwoven Gray Goods

Production of cotton broadwoven goods (gray) increased by 11.3% in 1986, while manmade fiber fabrics decreased 0.3% compared with 1985, according to the Census Bureau. Production of 85% or more filament yarn fabrics increased by 4.0%; output of 85% or more spun yarn fabrics dropped 8.4%.

Production of woolen and worsted fabrics increased from 138.3 million square yards in 1985 to 139.5 million square yards last year--a gain of less than 1%.

The Census Bureau data is based on a survey covering all companies manufacturing broadwoven fabrics (gray) in the U.S., except very small firms (generally less than 5 employees). Approximately 425 plants are included. The 1986 survey was revised to provide for increasing comparability to the data published for imports and exports, and detailed data, for that reason, are not directly comparable to that shown in previous years.

Summary of Production of Broadwoven Fabrics: (Gray) 1983-1986
(Millions of square yards)

	1986	1985	1984	1983
Total	15,711.3	15,321.0	16,578.4	16,339.1
Cotton, chiefly cotton, fabrics	4,364.1	3,920.5	4,002.1	4,192.1
Manmade fiber fabrics, silk and manmade/wool blends	10,764.2	10,766.6	11,852.4	11,460.7
Chiefly wool fabric	139.5	138.4	159.3	143.6
Tire cord and tire fabrics	443.5	495.5	564.6	542.7

Source: U.S. Bureau of the Census: Current Industrial Reports (MQ22T).

Following are excerpts from the complete Census Bureau report covering production of fabrics of major interest.

Production of Selected Gray Goods Fabrics: 1986(p)

	Thousands of Square Yards
Selected fabrics:	
Manmade fiber fabrics:	
85% or more filament --	
Rayon/acetate	590,854
Other fibers	4,356,678
85% or more spun yarn except wool blends & excluding yarn dyed	4,490,637
Yarn dyed fabrics	
Blue denim, total	685,998
More than 50% cotton	646,990
Other	39,008
All other denim, total	141,599
More than 50% cotton	103,006
Pile fabrics (chiefly cotton or manmade)	598,982
Corduroy	171,494
Velvets, plushes	48,898
Terry toweling, terry cloth	381,590

(p) preliminary

Source: U.S. Bureau of the Census: Current Industrial Reports (MQ22T).

Broadwoven Gray Goods (continued)

Denim production is picking up with the revival in non-basic jeans business, sparked by new treatments of denim, particularly a treatment called acid wash for which market test results indicate good consumer acceptance. Corduroy business has been off, but demand is expected to pick up this year as it again becomes fashionable.

Converters

Both converters and finished textile manufacturers were reported to be concerned about rapidly increasing prices and demand for cotton gray goods. Reduced domestic loomage over the past three years, uncertainties over deliveries of imported gray goods and concern about import quotas have distorted the market. Converters and traders are wondering if finished fabrics business will be strong enough to warrant current levels of demand and prices for gray goods. With the current rise in raw cotton prices worldwide, the only direction on goods would seem to be up.

As of early May 1987, it was reported that converters' problems were being compounded by speculators who are buying up fabrics, particularly cottons, and by the growing export business fueled by the weaker dollar. China, in particular, has stepped up purchases of gray goods from U.S. mills. At the same time, as the cost of imported apparel and quotas is leading many U.S. manufacturers to return to production within the U.S., converters are stepping up imports of gray goods to fill fast changing demands for specific fabric types.

Dyeing & Finishing

The Nation's finishing plants and textile mills bleached, dyed or printed 6,794.4 million linear yards of broadwoven goods, according to preliminary data for 1986. This was 1.7% above the 1985 total, but 4.5% below the total in 1982, according to the Census Bureau.

Most of the gain registered in 1986 was in cotton fabrics--up almost 5% compared with 1985 production, while finished manmade fiber goods gained less than 1%.

Cotton & Manmade Fiber Finished Broadwoven Fabrics
By Fiber Type: 1982, 1985, 1986
(Millions of linear yards)

	1986	1985	1982	% Change 1986/1982
Cotton & manmade fiber goods finished, total	6,794.4	6,677.4	7,118.3	- 4.5%
Cotton finished fabrics	2,522.9	2,407.7	2,519.5	+ 0.6
Bleached & white finished	1,157.6	1,056.6	1,220.7	- 5.2
Dyed & finished	999.9	945.6	861.3	+ 5.7
Printed & finished	365.4	405.5	437.5	-16.5
Manmade fiber finished fabrics	4,271.4	4,269.7	4,598.8	- 7.1
Bleached & white finished	3,229.9	827.6	1,088.2	- 9.5
Dyed & finished		2,436.4	2,479.8	
Printed & finished	1,041.5	1,005.7	1,030.8	+ 1.0

Source: U.S. Bureau of the Census, Current Industrial Reports: Finished Broadwoven Fabric Production.

Dyeing & Finishing (continued)

Fabrics Finished For Crease Resistance of Wash-Wear Properties
(Thousands of linear yards)

	1985	1984
Total fabrics	966,933	993,420
Cotton broadwoven fabrics	214,681	179,907
Manmade fiber broadwoven fabrics	752,252	813,513

The role of prints in apparel and home textiles changes with fashion cycles. A revived print cycle was reported for Spring 1987, with orders coming into U.S. printers at a fast rate. Domestic suppliers have the advantage of being able to meet the fast-changing demands for prints, an important edge over imports. However, it is reported that competition from cheaper imports has kept prices down, and forced American companies to keep a firm hold on costs in order to remain competitive.

One of the newest industry developments is garment dyeing, which is said to be rapidly gaining apparel industry interest at all levels. Garments are produced from gray goods or bleached fabrics, then dyed to order as specified by retailer customers. The garment-to-retailer time span is sharply reduced, and this is a key factor in meeting competition from imports. The denim market, as noted, has been stimulated by new treatments, including acid-dyed, stone-washed, and yarn-dyed denims.

The process has been used in Europe for some years, and in the U.S. by hosiery and sweater and area rug manufacturers. Now producers of woven-fabric apparel are taking on the process, either having the garments dyed in their own plants (including Farah Mfg. Co. and Lee Co.) or handled by commission dyers (including Liz Claiborne and Calvin Klein). Benetton stores sell a wide color variety of garment dyed knits. Commission or contract dyers are handling the major share currently, but some industry sources believe that textile mills will be the dominant garment-dyers in the future, because they can maintain quality control and, in addition, are experienced dyers.

Knits

The American knitting industry has been greatly reduced in size in recent years, while demand for knitwear and knit fabrics which are important in casual apparel has boomed. At the forefront are fleeces, reported to be sold up into 1988. The great spurt in popularity of fleece performance and casual wear has been a boon to U.S. mills, as it fits into their long-run manufacturing strengths.

All types of circular knits, single knits, double knits, interlocks, fleeces, even laces, are reported to be enjoying strong markets in 1987. Warp knits are the exception, particularly tricots for intimate apparel, which have suffered from a fashion swing to woven goods and natural fiber fabrics.

(continued)

Knits (continued)

Imports are an indirect, not a direct, threat to unintegrated knit fabric producers as they accounted for less than 0.5% of total domestic consumption in 1985. However, imports have affected all knitwear. An industry source estimates that the domestic industry accounts for only about a third of the domestic market for knits. Some relief is looked for in Multi-Fiber Arrangement bilateral agreements which would help the sweater industry, in particular, in dealing with imports of ramie knits. However, China, a major source, has not signed an agreement thus far.

The recent move toward more domestic sourcing by large import-oriented retailers is having an impact on the knitting industry. Large retail chains dominate the market, and have very stringent requirements and are very aggressive in their sourcing requirements, putting strains on suppliers. Domestic capacity for fleecewear is being stretched to the limit, and retailers are being forced to look to sources in the Far East for this merchandise.

The latest available figures on knit fabric production, from the U.S. Census Bureau are for the year 1985. That year, output fell 1.2% below 1984, and was over 6% below the 1980 level. Figures for 1986 are expected to show a gain over 1985. Included in the CIR data below is knit fabric produced on commission and for own use.

Summary of Knit Fabric Production: Selected Years - 1980-1985
(Millions of pounds)

	1985	1984	1982	1980
Knit fabrics, total	1,496	1,514	1,309	1,597
Warp knit fabric	345	360	289	407
Tricot, simplex, milanese	258	272	239	343
Raschel and raschel-crochet	87	88	50	64
Weft knit fabric	1,151	1,154	1,019	1,190
Single circular knit	828	836	703	688
Double knit and interlock	213	197	229	381
Rib knit	110	121	88	121

Source: U.S. Bureau of the Census: Current Industrial Reports, Knit Fabric Production (MA22K(85)-1.

Narrow Fabrics

Production of narrow fabrics in U.S. plants is reported annually by the Census Bureau. The latest figures currently available are for the year 1985 which the total value of U.S. manufacturers shipments was placed at $808.6 million, down 4.7% compared with 1984 shipments.

Narrow Fabrics (continued)

Summary of Quantity & Value of Shipments, Including Interplant Transfers of Woven Narrow Fabrics: 1984, 1985
(In thousands)

	1985		1984	
	Quantity	Value	Quantity	Value
Woven & braided narrow fabrics	--	$808,634	--	$848,933
Woven narrow fabrics	--	650,770	--	686,830
Elastic	1,437,573 lin. yds.	175,105	1,418,572 lin. yds.	185,343
Nonelastic	--	475,665	--	501,484
Braided narrow fabrics	--	150,643	--	154,453
Type not specified	--	7,221	--	7,650
Knitted narrow fabrics	241,839	38,694	243,951	42,999

Source: U.S. Bureau of the Census: Current Industrial Reports, Narrow Fabrics (MA22G (85)-1).

Exports of narrow fabrics were valued (at port) at $65.4 million in 1985; imports at close to $50 million c.i.f. (cost, insurance and freight). Imports represented only 6.3% of the total value of domestic consumption. They are not a direct threat to the industry but have, of course, reduced the number of domestic customers (apparel manufacturers).

Nonwovens

According to John R. Starr, management consultant to the industry, the total nonwovens market consumed about 1.25 billion pounds of fiber in 1985, and shipments were valued at $1.7 billion. About half of this was in disposable nonwovens, for which an annual growth rate of between 5 and 6% is expected. Durables are expected to register about the same overall growth rate as disposables. Interlining is the largest end use in this segment. Wall-covering, drapery, and carpet backing applications are expected to decline.

A study released by Frost & Sullivan on disposable nonwovens in the U.S. in May 1986 found that total consumption is expected to increase from 5.4 billion to 8.6 billion square yards by 1989. A 7.9% annual growth rate through 1989 was anticipated. Other growth areas included industrial garments, with 16% growth predicted, nonwoven envelopes (15%) and wipes (11.8%).

In durables, Frost & Sullivan reported that import competition will impact the apparel interlining market as well as indoor/outdoor carpeting, apparel fiberfill, wallcoverings, and automotive fabrics.

The major fibers used in disposable nonwovens include polypropylene, polyester, rayon and cellulose. Polypropylene is the leading fiber with annual increases of 10.1% expected through 1989, according to Frost & Sullivan. Cellulose ranks second, with increases of nearly 11% predicted.

PRODUCTION OF TEXTILES & APPAREL

Nonwovens (continued)

The 1982 census of manufactures (U.S. Census Bureau) showed a total of 144 companies classified in the nonwoven fabrics industry, up from 81 in 1977.

VALUE OF PRODUCT SHIPMENTS

Preliminary estimates on the value of shipments of major classifications in the fiber/textile/apparel complex in 1986, in terms of current dollars and in constant dollars, have been compiled by the International Trade Administration. Summary information on the value of exports and imports is also included in the ITA report (U.S. Industrial Outlook 1987).

Shipments in 1986 Compared With 1985

	Percent Change		Compound Annual Change	
	1986/85	1985/84	1972-1984	1979-1984
Cellulosic manmade fibers				
Current $	+11.7%	-15.0%	+ 4.1%	+ 0.3%
Constant (1982$)	+ 9.0	-15.0	- 3.4	- 7.2
Noncellulosic manmade fibers				
Current $	+ 4.3	+ 2.4	+ 9.3	+ 5.0
Constant (1982$)	+ 3.2	+ 2.4	+ 5.4	- 0.6
Textile mill products				
Current $	+ 3.5	- 4.0	+ 6.0	+ 4.2
Constant (1982$)	+ 1.5	- 3.1	+ 0.7	- 0.5
Yarn mills: current $	+ 8.1	- 5.0	+ 7.0	+ 4.8
Yarn mills: constant $	+ 9.1	- 3.6	+ 0.8	+ 0.5
Broadwoven fabric mills				
Current $	+ 2.8	- 6.3	+ 7.2	+ 3.9
Constant (1982$)	+ 3.9	- 4.6	+ 0.8	- 0.2
Apparel & other mill products				
Current $	+ 3.0	- 0.2	+ 6.3	+ 6.0
Constant (1982$)	+ 2.1	- 1.3	+ 1.3	+ 1.7

Source: International Trade Administration: U.S. Industrial Outlook 1987.

The value of shipments of specific products made by all manufacturers, regardless of industry classification, has been reported in detail by the Census Bureau. The following table summarizes data for major product groupings, 1982-1985.

VALUE OF PRODUCT SHIPMENTS

Value of Product Shipments: 1982-1985
(Millions of dollars)*

	1985	1984	1983	1982
Manmade fibers	$14,631.4	$16,047.0	$15,696.2	$13,430.3
Cellulosic manmade fibers	991.5	1,103.7	1,207.3	1,114.8
Organic fibers, noncellulosic*	7,978.6	8,571.0	8,288.0	7,149.8
Nylon, except producer-textured	2,230.8	2,662.8	2,510.6	1,891.1
Acrylic, modacrylic, exc. producer textured	525.4	562.2	578.7	595.5
Polyester, except producer-textured	2,905.1	3,147.3	3,111.6	2,679.1
Textile mill products				
Cotton broad woven goods	3,897.9	4,067.9	4,159.7	3,635.0
Weaving mills, manmade fiber and silk products	8,105.4	9,129.2	8,880.2	7,820.3
Wool broad woven fabrics	930.4	960.7	922.3	834.0
Narrow fabrics	989.9	961.4	904.6	826.1
Hosiery	3,057.1	3,201.8	3,085.0	2,749.8
Knit outerwear	3,220.1	3,348.1	3,383.4	3,154.2
Knit underwear mills	985.6	919.8	812.2	767.4
Circular knit fabrics	2,076.8	2,273.6	2,501.2	2,494.9
Warp knit fabrics	1,719.5	1,730.6	1,904.4	1,567.5
Knit gloves & other knit products, n.e.c.	168.4	159.1	165.1	133.5
Finishing plant products:				
Cotton fabrics	890.7	841.3	918.5	768.2
Manmade fiber, silk	3,119.2	3,294.9	3,065.0	2,767.5
Other	909.6	1,040.6	1,014.8	920.6
Carpets & rugs	7,375.6	7,155.2	6,473.7	5,369.5
Yarn & thread mills	8,416.1	8,788.9	8,571.3	7,384.9
Nonwoven fabrics & products	1,981.9	1,976.0	1,772.1	1,658.8
Misc. textile goods	3,841.6	4,137.2	3,706.5	3,511.2
Apparel**				
Specified men's & boys' wear:	15,897.5	15,901.3	15,192.7	14,711.4
Suits, coats	3,105.9	3,130.6	3,036.5	2,932.9
Shirts, nightwear	3,604.9	3,394.7	3,190.4	3,118.0
Underwear	442.1	464.1	462.5	425.5
Neckwear	306.5	323.9	330.9	310.4
Separate trousers	2,085.4	2,204.8	2,218.6	2,107.0
Work clothing	4,424.4	4,553.0	4,234.4	4,022.9
Hats & caps (incl. women's, children's)	469.9	483.9	433.3	416.8
Type not specified	1,458.4	1,346.3	1,286.1	1,377.9
Specified women's wear:	20,953.3	21,613.7	22,327.8	21,749.9
Blouses, waists	3,832.9	3,969.4	4,324.7	4,258.2
Dresses	5,177.2	4,896.0	4,877.9	4,534.7
Suits & coats	3,403.6	3,759.7	3,942.6	4,288.9
Outerwear, n.e.c.	4,841.2	5,263.0	5,419.0	5,159.5
Foundations, etc.	713.8	715.3	740.7	666.7
Underwear (incl. children's)	2,502.6	2,525.3	2,507.7	2,356.3
Millinery	104.6	104.5	89.9	87.7
Furs (incl. men's)	377.4	380.5	425.3	397.9
Specified children's wear:				
Dresses & blouses	1,266.8	1,339.0	1,322.6	1,443.2
Coats & suits	166.5	197.9	203.5	211.4
Outerwear, n.e.c.	1,262.2	1,263.0	1,185.5	1,195.8

(continued)

VALUE OF PRODUCT SHIPMENTS

Value of Product Shipments: 1982-1985
(Millions of dollars)*
(continued)

	1985	1984	1983	1982
Men's, women's, children's, n.e.c.				
Fabric dress & work gloves	226.9	217.0	208.9	206.6
Robes & dressing gowns	421.2	443.6	432.1	416.0
Waterproof outergamrnets	329.9	409.4	445.4	429.7
Leather & sheeplined	146.5	189.0	206.2	207.3
Apparel belts	442.6	475.6	492.4	474.2
Apparel accessories, n.e.c.	304.1	301.6	248.2	243.2
Home Textiles**				
Curtains & draperies	1,268.2	1,249.0	1,058.6	1,008.3
Sheets, towels, etc., not made in weaving mills	3,905.4	3,668.3	3,596.4	3,299.3
Misc. textile products not made in textile mills	7,670.0	7,664.8	6,651.2	5,796.4

* In current dollars; not adjusted for inflation.
**Items made in knitting mills are not included.
n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census: 1985 Annual Survey of Manufactures (M85(AS)-2).

PRICE TRENDS

Producer Prices (Factory Level)

Factory prices for textile products have been held down in many instances because of competition from lower-cost imports. With the devaluation of the dollar resulting in higher prices on imports from some areas, particularly Europe and Japan, a rise in prices of domestic goods, too, has been expected. Available data for 1987--through February--indicates the beginning of the expected upward trend.

Producer Price Indexes: Annual Averages 1984, 1985 & February 1986, 1987
(1967 average = 100, unless otherwise noted)

	February		% Change	Annual Average	
	1987	1986	1987/86	1985	1984
All industrial commodities	315.7	304.7	+ 3.6%	323.8	322.6
Textile products & apparel	211.8	210.8	+ 0.5	210.4	210.0
Selected textile/apparel:					
Synthetic fibers*	149.0	150.5	- 1.0	154.8	159.2
Processed yarns & threads*	140.0	139.9	+ 0.1	141.1	142.8
Gray fabrics*	150.0	151.5	- 1.0	151.7	153.7
Finished fabrics*	128.2	125.9	+ 1.8	126.3	126.7
Broadwovens*	143.5	139.7	+ 2.7	140.4	141.2
Knits*	109.4	108.3	+ 1.0	109.3	108.9
Apparel	207.4	205.7	+ 0.8	204.1	201.3
Women's wear	183.8	183.6	+ 0.1	182.3	179.4
Men's & boys' wear	236.4	232.2	+ 1.8	230.5	227.3
Girls', children's, infants	205.6	205.8	- 0.1	202.7	202.8
Home textiles	241.1	239.6	+ 0.6	240.0	238.9

* December 1975 average=100

Source: U.S. Bureau of Labor Statistics.

Import Prices (continued)

The U.S. import price index provides a direct measurement of the current rise in prices of imports. In the first quarter of 1987, the index for apparel rose 4.6%, posting its largest quarterly increase since 1977, when the Bureau of Labor Statistics started the price reports. The March 1987 index was 9.1% above the March 1986 level.

Imported textile prices rose 2.6% in the first quarter this year, while the March index was 5.8% over the March 1986 figure, according to the BLS. Prices are based on U.S. dollar prices paid by the U.S. importer.

U.S. Import Price Indexes for Textile & Apparel: March 1987

		Index		Percent Change	
	Index Base	March 1987	Dec. 1986	March 1987/86	December 1986/.87
Textiles*	6/77	138.8	135.3	+ 5.8%	+ 2.6%
Woven cotton fabric (cif)	6/77	128.4	124.1	+ 9.0	+ 3.5
Woven manmade fabric (cif)	9/78	141.5	136.1	+10.1	+ 4.0
Misc. woven fabric (cif)	6/77	137.5	134.2	+ 1.3	+ 2.5
Special textile fabrics & related products (cif)	9/77	150.1	147.9	+10.7	+ 1.5
Articles: chiefly textile (cif)	9/78	111.7	113.2	- 4.7	- 1.3
Apparel*	9/77	145.5	139.1	+ 9.1	+ 4.6
Selected types					
Outerwear: men's, boys' (cif)	6/77	143.2	138.8	+ 6.7	+ 3.2
Sweaters (cif)	6/77	159.6	159.2	+17.1	+ 0.3

cif cost, insurance, freight
* Includes items not separately listed

Source: U.S. Bureau of Labor Statistics.

Consumer Prices

For the year 1986, consumer prices for textile homefurnishings rose 1.0% over the 1985 average, according to the Bureau of Labor Statistics. The February 1987 index was up 2.9% compared with February 1986.

Apparel prices at the consumer level in 1986 averaged only 0.2% above 1985; however, March 1987 prices were 4.4% over the 1986 average.

FOREIGN TRADE

The strong build-up in imports of textile and apparel products, taking an ever-increasing share of the U.S. market each year since 1979 as well as overseas markets, has changed the domestic complex drastically, and industry observers feel that changes must still be faced if the components of the complex are to survive and compete in global markets. Much depends on the trade strategy to be followed by the government. However, future growth in demand for textiles and apparel is expected to be largely outside of the U.S., and developing nations, with low labor costs and government support, will move into these potential markets very rapidly, as well as continue to flood the U.S. market.

Ineffective administration of the Multi-Fiber Arrangement (MFA) is cited as one reason for the tremendous surge in imports and harm to the domestic textile and apparel industries. Another factor, of course, was the rise in the value of the U.S. dollar which made imports less expensive here. Despite the MFA, which contemplated a 6% annual rate of growth, imports (in terms of square yard equivalents) grew 30% in 1983, 32% in 1984, before falling to 7% in 1985; then rose again in 1986 to a gain of over 17%. The MFA was renewed in July 1986; however, enforcement remains a problem. Transshipments to evade quotas abound, frequently involving garments that come into the U.S. under the 807 agreement. Or documents falsely describing garments in order to get the lowest duty are used.

In 1986, Congress passed legislation designed to shield the U.S. industry but it was vetoed by the President. Now another textile/apparel act is pending, toning down the 1986 version, but limiting the growth in U.S. textile/apparel imports from all sources to only 1% per year. An amendment--the Gephardt amendment--requires retaliation against nations that maintain unwarranted trade surpluses with the U.S. if these can be traced to unfair practices. However, observers point out that the MFA and various bilateral agreements to which the U.S. is a party would stop the president from imposing tariffs or quotas. The House and Senate will be putting their bills together in conference committee in the summer of 1987; and a different bill may emerge, without the Gephardt amendment, which must then override, in all likelihood, a presidential veto in order to become effective.

Summary of U.S. Textile & Apparel Trade: Selected Years 1974-1986
(Millions of dollars)

	Textiles			Apparel		
Year	Imports*	Exports**	Trade Balance	Imports*	Exports**	Trade Balance
1974	$ 1,752	$ 1,795	+ 43	$ 2,517	$ 400	- 2,117
1978	2,400	2,225	- 175	6,108	677	- 5,431
1979	2,399	3,189	+ 790	6,291	931	- 5,630
1982	3,000	2,784	- 216	8,703	953	- 7,750
1984	4,874	2,382	-2,492	14,513	807	-13,706
1985	5,274	2,366	-2,908	16,056	755	-15,301
1986	6,151	2,570	-3,581	18,554	899	-17,655

* cif cost, insurance, freight
**fas free alongside ship

Source: Special Congressional Office of Technology Assessment report: The U.S. Textile & Apparel Industry (April 1987); U.S. Dept. of Commerce, FT-135, FT-140.

Summary of General Imports & Exports of Textiles & Products; 1984-1985
(Quantity in thousands of pounds unless otherwise specified; value in millions of dollars)

	Quantity			Value (fas)* (cif)**		
	1986	1985	1984	1986	1985	1984
EXPORTS:						
Raw cotton, excl. waste & linters (thous. bales)	5,447	4,756	6,516	$ 773.3	$1,633.2	$2,441.4
Textile yarns, fabrics, made-up articles	--	--	--	2,570.0	2,366.1	2,381.8
Yarn & thread				572.6	627.6	546.7
Cotton fabrics (excl. narrow or special), woven				300.5	203.3	193.2
Manmade fiber fabrics (excl. narrow), woven (mil. SYD)	226.8	233.6	220.6	395.9	373.1	353.9
Misc. textile products, incl. floor coverings	--	--		443.5	419.5	467.1
Apparel, exc. footwear	--	--		899.1	754.4	807.3
Textile, sewing & leather machinery	--	--		553.9	498.3	519.6
IMPORTS (General)***						
Textile fibers, raw & their waste	--	--	--	386.1	376.6	416.8
Raw cotton other than linters	6,143	8,981	10,983	3.5	15.8	8.6
Jute, vegetable fibers	--	--	--	22.5	27.7	28.9
Wool, other animal hair	--	--	--	196.8	175.9	223.8
Textile yarns, fabrics, related products	--	--	--	6,150.8	5,274.2	4,874.1
Yarn & thread	443,626	352,785		736.1	573.7	558.4
Cotton fabric (excl. narrow), woven	--	--		1,064.1	892.0	934.6
Other woven fabrics (jute, wool, silk, etc.)	--	--		1,651.8	1,448.4	1,388.5
Apparel & accessories	--	--		18,554.0	16,055.9	14,512.8
Textile, sewing, leather machinery	--	--		1,502.2	2,885.8	1,336.4

Value of Exports & Imports For Consumption: 1984-1986
(Millions of dollars)

	Imports, CIF Value**			Exports, FAS Value*		
	1986	1985	1984	1986	1985	1984
Textile mill products	$4,410.1	$3,885.0	$ 3,723.7	$1,652.8	$1,461.5	$1,541.0
Apparel & other textile products	19,510.1	16,896.9	14,985.4	1,213.0	1,018.7	1,064.6

(footnotes continued)

(footnotes continued)

* Export value is fas (free alongside ship) the value at the U.S. port of export, based on the transaction price plus freight, insurance, and other charges involved in bringing the merchandise alongside the carrier at the U.S. port of exportation.

**cif This value includes the price paid (or payable) for merchandise plus freight, insurance, etc., incurred in bringing the merchandise to the first port of arrival in the U.S. Duties are not included.

***General imports include goods imported for immediate consumption in the U.S. plus entries into bonded warehouses and into U.S. Foreign Trade Zones.

Source: U.S. Bureau of the Census: Highlights of U.S. Export and Import Trade (FT 990).

In 1986, according to the American Textile Manufacturers Institute (ATMI), in yardage imports of textiles and apparel accounted for 48% of the U.S. market; for apparel and apparel fabrics, alone, import penetration reached a record 52%. Figures for imports' share in specific areas since 1974 have been reported as follows:

Imports Share of U.S. Market: Selected Years, 1974-1985

	Textiles	Apparel & Apparel Fabrics	Industrial & Home Furnishings Market
1974	15.6%	25.2%	5.1%
1979	15.2	25.5	4.4
1982	21.0	32.4	6.9
1983	25.2	37.9	10.7
1984	31.7	46.8	14.6
1985	33.2	48.0	16.4

Source: ATMI.

A special report issued by the Department of Commerce, International Trade Administration, (March 1986)--Import/Production Ratios* covered a 12-year trend in import penetration of cotton, wool and manmade fiber textile and apparel products (1972-1984). This report shows the import penetration by fiber content in specific types of apparel, home textiles, etc., based on pounds. Imports in relation to U.S. production range widely--quite low in the case of manmade fibers, but high on finished apparel items and other textile products.

The Textile Economics Bureau has compiled information on the share of the domestic apparel market accounted for by imports in each of three fiber types, as summarized below.

Percent of the U.S. Apparel Market Accounted For By Imports: 1981-1986
(Based on pounds of fiber consumed)

	1986(p)	1985	1984	1983	1982
Cotton	51.3%	51.0%	50.8%	43.0%	38.6%
Manmade fibers	44.1	42.3	38.2	28.5	25.9
Wool	60.0	68.0	54.6	45.5	46.8
3-fiber total	48.2	47.2	44.0	34.8	31.7

Source: Textile Economics Bureau, Textile Organon (April 1987).

Additional information on imports has been included in the foregoing sections dealing with specific product categories. In addition, information on current developments in regard to foreign trade, and control of imports, has been discussed in the introduction on Current Trends.

A new Harmonized System of product nomenclature, if approved, will revamp the U.S. tariff structure by January 1, 1988. This is designed to make the country's tariff schedule conform to a worldwide system of classifying products by number as well as by name. Apparel importers are in opposition to the change, claiming that the changes could cost $30 million a year in extra duties. The American Apparel Manufacturers' Association supports the change, pointing out that $30 million is a very small figure in relation to the estimated $4 billion paid in duties last year on $17 billion worth of textiles and apparel.

In another move to fight imports, a provision in the House trade bill now under consideration is a section "Scofflaw Penalties", which is designed to crack down on importers--particularly large retailers--who are "multiple . customs law offenders"--i.e. convicted of three Customs law violations over a period of seven years. These offenders would be barred from importing any merchandise for three years.

The fiber/textile/apparel complex has always had divergent interests and taken different stands, but this situation is aggravated under present competitive conditions. On one side, mustering efforts to fight imports, coalitions have combined in such efforts as Quick Response, Just in Time, and Crafted with Pride. The American Apparel Manufacturers Association (AAMA) has reaffirmed its intention to fight for import legislation, along with the American Textile Manufacturers Institute (ATMI).

On the other hand, firms within the apparel industry who are large importers (such as Levi Strauss), retailers and others who have an important stake in access to imports, are actively opposing legislation. According to a study by Emanuel Weintraub Associates (DNR, Dec. 8, 1986), imports account for from 35% to 45% of the apparel sold in the U.S. (over half in some categories). Virtually 50% of apparel imports, according to the study, is brought in directly by retailers; the other half by apparel producers/merchants.

A retailer-sponsored study, released in March by the Retail Industry Trade Action Coalition (RITAC) charge that the ability of retailers to respond to changing fashions would be severely impaired by the rigid quota system proposed by Congress. It was claimed that textile and apparel import prices rise an average 6.4%, while prices for domestically produced merchandise would increase 2%. In the first year, it was contended, consumer costs would increase about $8.1 billion for textiles and apparel (DNR, March 30, 1987).

Rising problems with quotas, costs, embargoed goods, delivery, and quality control, are in any event leading some importers to change their sources of supply, many of them turning back to domestic suppliers. Those who are ready with a reliable Quick Response program should benefit, as retailers are committed to their own private label programs, which require direct access to merchandise, whether domestic or foreign.

The 907 program, which allows U.S. manufacturers to export cut fabric duty-free for cheap reassembly, and duty paid only on the value added abroad when finished goods are brought back to the U.S., is said to be running into problems. Concern is growing that the Caribbean Basin Initiative is being used by some importers as a cover to bring in apparel made from non-U.S. fabric.

TEXTILE MACHINERY & EQUIPMENT

Industry Trends

The U.S. Textile Machinery Industry: 1984-1987

	1987(f)	1986(e)	1985(e)	1984	% Change 1986/85
Industry employment, total (000)	--	15.5	16.5	17.7	- 6.1%
Production workers	--	10.2	10.8	11.9	- 5.6
Product shipments (mil. $)*					
Current $	--	$939	$952	$980	- 1.4
Constant (1982$)	$853	853	879	915	- 3.0
Value of imports (mil. $ cif)	1,030	896	663	828	+35.1
Import/new supply ratio**	0.519	0.488	0.411	0.458	
Value of exports (mil. $ fas)	305	277	236	243	+17.4

(f) forecast
(e) estimated
* Value of machinery and equipment manufactured by all producers, regardless of industry classification.
**New supply is the sum of product shipments plus imports.

Source: U.S. Department of Commerce, International Trade Administration: 1987 U.S. Industrial Outlook.

The U.S. textile industry represents the largest single textile machinery market in the world; yet U.S. manufacturers are rapidly losing this market to foreign suppliers. By 1982, according to a special Congressional committee report, domestic suppliers held a share of only 49% of the domestic market for textile machinery, down from 55% in 1979; 93% in 1960. In view of the rapid rise in imports noted above, this share is now below 45%.

In recent years, U.S. textile and apparel manufacturers have tended to limit their purchases from domestic suppliers to parts, materials handling equipment, and less sophisticated machinery. Only one out of four U.S. textile machinery firms even make complete machines at the present time, according to a Department of Commerce study; and mills look to suppliers in West Germany, Switzerland, Italy, France, Japan and Great Britain for the high-technology textile systems needed to survive in today's competitive market.

Multinationals are beginning to dominate textile machinery manufacturing, garnering market share through emphasis on R&D investment, and on service. The U.S. industry has not kept pace with the high-technology advances being developed and introduced by foreign competitors, and have not put enough effort into research and development, according to the American Textile Machinery Association (ATMA). On the other hand, foreign manufacturers have been quick to take advantage of basic research done in the U.S.

There is some debate on whether the revitalization of U.S. textile machinery should be within a separate industry or within the textile mills. However, all generally agree that it is a crucial element in the survival and well-being of the U.S. textile/apparel complex. Imported machinery is costing more now due to the devaluation of the dollar. This may help U.S. machinery producers if they can supply the needed products.

In one area, the U.S. is still a major producer: dyeing and finishing equipment. The U.S. also exports a considerable quantity of high- and low-tech textile equipment and supplies--equal to 16% of domestic production. Spare parts for machinery make up the major share of U.S. exports in the textile machinery category.

Canada is the largest single customer for U.S. textile machinery and equipment, accounting for about 14% of total exports. Other leading markets are India (12.3% in 1986); Mexico (11.2%), and the United Kingdom (6.7%).

A special survey among U.S. textile mills to determine the type and quantity of machinery in place was conducted by the Census Bureau in 1983. The results indicated a trend toward faster, more efficient machinery, and this has accelerated among the big mills since 1983.

The 1983 study showed ring spindles down from 17,182,204 in 1978 to 14,760,961 in 1982, while ringless spindles in place increased from 153,778 in 1978 to 316,196 in 1983. Shuttle-type and broad fabric weaving looms decreased from 261,904 in 1978 to 137,392 looms in 1983, while the faster shuttleless type looms increased from 34,217 to 53,798 in the same period.

Changes in fashion were noted in the data on knitting machines. Double knit machines in place decreased from 8,266 in 1978 to 3,377 in 1983. In the same period, circular spring needle machines which produce the cloth for sweat shirts and some jogging suits, among other things, increased from 2,423 to 4,796.

In the apparel industry, automation is looked upon as the only weapon an industrialized nation can utilize to counter imports from low labor cost countries. Research projects are now underway in the U.S., as well as in Europe and Japan, which are demonstrating the technical feasibility of automating apparel production processes--from design to cutting, assembling and sewing.

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS: Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS: An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are included as well as an analysis of developments that are shaping the U.S. consumer market -- living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1987 Edition): Updates information in the 1986 Edition on department and apparel specialty store sales (not including discount operation) for stores (buying headquarter locations) listed by state within the four major geographical regions of the U.S. Information on the number of stores in operation is included, as well as on plans to open stores, if available. Available data on sales of branch stores is included. Additional features include: An alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest available sales figures; a listing and sales figures for traditional department stores which have sales volumes published, or estimated, of $50 million or more in 1986; a list of conglomerates operating traditional department and apparel stores, including the names and locations of these stores.

DRESSES & CAREER APPAREL (WOMEN'S, MISSES' AND JUNIORS'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, career apparel, pants dresses, ensembles, etc. Includes number and size of manufacturers, production and value of shipments, industry location and trends in employment levels. Analyzed is the growing impact of imports on total growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc. to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS') (1987 Edition): Updates the 1986 edition with figures on U.S. manufacturers production and shipments by type of footwear. Also detailed statistics on imports and their impact on total U.S. market supply. Analyses industry trends and performance of major resources and retailers. Spotlights developments in the athletic footwear industry and consumer market. At the retail level, information is included on sales trends and merchandising results for shoe stores and for footwear departments in department stores; as well as consumer purchase patterns.

HOME TEXTILES & RELATED PRODUCTS: Includes the latest statistics on the U.S. industry, including manufacturers wide variety of products -- bed linens, towels, blankets, comforters, slip covers, pillows, curtains/draperies and hardware, shades, and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

HOSIERY/LEGWEAR/BODYWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

HOUSEHOLD APPLIANCES, ELECTRIC HOUSEWARES, HOME ENTERTAINMENT PRODUCTS: Covers a broad range of products included in these three classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

HOUSEHOLD FURNITURE AND BEDDING: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores. The potential market for work/career apparel is defined in data on trends in employment of men by occupation.

MEN'S SPORTSWEAR, CASUALWEAR, OUTERWEAR: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market. Departmental merchandising and operating results in department stores and in men's wear stores are covered.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade recently issued by the U.S. Census Bureau.

THE SPORTS/FITNESS/LEISURE MARKETS (A Fact File Special Edition): Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specific products; concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics on sports participation levels and purchases of specific sports equipment. Also buying habits in relation to activewear and sports equipment.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits.

A STATISTICAL ANALYSIS OF RETAILING (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Percentage distributions have been calculated for firms and outlet types, including single and multi-unit operations, sales concentration and geographical distribution, with comparisons with 1977 census findings where possible.

TABLETOP & GIFTWARES: Statistics included for these industries include those on both the manufacturing and retailing levels. There's coverage of production and shipments; foreign trade; retail sales; plus data on the consumer market including buying habits and expenditures.

THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures, foreign trade. Consumer expenditures by product are detailed, as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specific products.

WOMEN'S COATS, SUITS, RAINWEAR, AND FURS: Data from the domestic industry includes the number of manufacturers, industry concentration levels, trends in employment and earnings, production and value of shipments, including exports. Import trends and impact on U.S. market supply are analyzed. At the retail level, information includes consumer price trends, the size of the potential market and outlook for growth in terms of population by age group and employment trends among women. Also covers sales estimates and operating results in department and specialty store.

WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market are summarized.

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Women's Coats, Suits, Tailored Career Wear, Rainwear and Furs

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WOMEN'S COATS, SUITS, TAILORED CAREER WEAR (UNIFORMS), RAINWEAR, FURS

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WOMEN'S COATS, SUITS, TAILORED CAREER WEAR (UNIFORMS), RAINWEAR

Market Trends

Activity in the U.S. industry producing tailored wear continued to decline in 1986 and early 1987, while the overall quantity and value of imports rose sharply-up 27% and 34%, respectively, last year compared with 1985. The value of domestic producers' shipments of tailored wear for women, misses and juniors, including raincoats, was reported at $3.0 billion for 1986, down 3% compared with 1985.

Shipments of women's skirt suits (including uniforms) continued to decline, with values down 5.3% compared with 1985. Skirt suit cuttings were off by 41%. However, there was a pickup in pantsuits and skirts; last year pantsuits reported a 47% gain in value of shipments as well as a 63% gain in production. Skirt production saw only a 2% production increase but value of shipments rose 4.1%. Women seemed to be turning to pantsuits and skirts as an alternative to skirt suits.

Of course, to an increasing extent imports are impinging on the tailored wear market. In a Census Bureau compiled overview of the new supply of tailored apparel for women and children, imports' share ranged from 45% of the total quantity of skirts available to the market last year to 48% of the suits, and 64% of coats and jackets. Comparable figures in 1985 were 33%, 59%, and 36%, respectively.

In April 1987, overall production worker employment, in women's outerwear plants in the U.S. held at about the 1986 level, yet suit and coat production worker employment saw a 4.6% decline. All the gain was in activewear, casual wear items and washable service apparel. For the year 1986, production worker employment in U.S. plants making women's tailored wear averaged 35,900 which was 24% below the 1983 average.

Based on consumer expenditure data compiled by the U.S. Bureau of Labor Statistics, spending for women's coats and jackets in 1985, including raincoats, is estimated at about $5.0 billion; suits and skirts, about $3.8 billion. Fashion excitement which generates sales is not as great a factor in tailored wear as in dresses and casual/sportswear. However, for the coming season attention will be focused on shorter skirt lengths-shortened to a rather drastic extent compared with lengths favored in the past few years. The extent to which the new lengths catch on, particularly in the junior and contemporary markets, will outline the trend in sales, particularly Fall/Winter.

Tailored uniforms for women is a bright spot in the industry's future, as more women gravitate into traditionally men's wear occupations; such as the military, where uniforms are required. This is also due to more companies deciding to give their employees dealing with the public a distinctive appearance through the wearing of a uniform.

Of major concern to the industry, in addition to the growth in imports, is the skyrocketing cost of materials. World wool prices are reaching record levels due to global demand which is outstripping supply. Cotton and manmade fibers, used to a large extent in blended fabrics for tailored wear, are also rising sharply in price.

Imports from Europe and Japan, in particular, have become more expensive since the dollar was devalued in relation to those currencies. This is also spreading to Taiwan and other Far Eastern currencies. It is hoped that the domestic industry can benefit by becoming more competitive and pricewise, within the domestic market and in foreign markets for U.S. apparel.

Market Trends (continued)

The retail market for fur coats and accessories continues to grow, (along with increases in women's disposable income), and is expected to reach a value of $2 million this year.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

The U.S. Bureau of the Census provides basic information on U.S. manufacturing activity from two approaches: first, information on establishments (plants) classified in specific industries based on primary activity and defined under the Standard Industrial Classification (SIC) system; second, on a product basis, covering production and shipments of specific products made by all U.S. producers, regardless of the producer's SIC classification based on primary product.

Information in the greatest detail is provided by the Bureau every five years, in the complete census of manufactures, of which the most recent covered operations in 1982. In intercensal years, the Census Bureau compiles annual surveys of manufactures in order to develop estimates on key measurements of manufacturing activity.

The following tables summarize selected statistics compiled by the Bureau at the SIC industry level. (Product information, based on reports from all producers, is covered under appropriate headings on subsequent pages.)

Women's & Misses Suits and Coats (SIC 2337*)

	1985	1984	1982	% Change 1985/1984
Number of companies	na	na	1,431	na
Number of establishments, total**	na	1,204	1,512	na
Number with 20 or more employees	na	682	900	na
Employees, total (thous.)	52.9	63.8	78.2	- 17.1%
Production workers (thous.)	43.6	52.5	63.2	- 17.0
Payroll (mil. $)	$ 658.8	$ 758.4	871.1	- 13.1
Value added by manufacture # (mil. $)	1,630.6	1,872.6	2,067.1	- 12.9
Value of industry shipments ## (mil. $)	3,752.1	4,238.5	4,886.7	- 11.5
Capital expenditures,. new (mil. $)	23.2	35.4	30.5	- 34.5
Machinery & equipment	na	na	23.4	--

Rainwear/Waterproof Outer Garment Industry (SIC 2385*)
(Men's, Women's, Children's)

	1985	1984	1982	% Change 1985/1984
Number of companies	na	na	98	na
Number of establishments, total**	na	102	112	na
Number with 20 or more employees	na	74	76	na
Employees, total (thous.)	8.3	9.1	9.3	- 8.8%
Production workers (thous.)	7.3	7.9	8.0	- 7.6
Payroll (mil. $)	$ 95.6	$ 107.6	101.1	- 11.2
Value added by manufacture # (mil. $)	182.9	241.7	246.0	- 24.3
Value of industry shipments ## (mil. $)	386.1	439.3	449.2	- 12.1
Capital expenditures, new (mil. $)	5.0	4.0	4.6	+ 25.0
Machinery & equipment	na	na	3.0	--

na not available

(footnotes continued)

GENERAL INDUSTRY STATISTICS

* SIC Industry Definitions:

2337 Establishments primarily engaged in manufacturing women's, misses' and juniors' suits, pantsuits, skirts, jackets, uniforms (except athletic or washable service apparel), coats (except fur coats and raincoats). These garments are generally tailored and usually lined.

2385 Establishments primarily engaged in manufacturing raincoats from purchased rubberized fabrics and other materials. Also included are plants manufacturing other waterproof outer garments made from purchased materials. Included are products for men, women, and children.

** Covers manufacturing establishments (plants) only, and each location is separately counted. Not included are separate auxiliary locations serving plants (i.e. administrative offices, purchasing, sales offices, etc.). The establishment count for 1984 is from the Census Bureau's County Business Patterns.

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished goods inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

Value of industry shipments (as distinct from "product shipments") includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary products and secondary products made by manufacturers in these industries. The value of shipments of specified garments by all producers, (product shipments), including manufactures classified in other industries, are covered on page 17. (Interplant transfers are included in both measurements).

Source: U.S. Bureau of the Census:
1982 Census of Manufactures;
1985, 1984 Annual Survey of Manufactures.

Based on data compiled by the Census Bureau, annual projections on industry and product shipments in terms of a constant dollar value to eliminate the effects of inflation are compiled for a limited number of apparel classifications by the International Trade Administration (ITA). A real gain of just under 2% was estimated for 1986 compared with 1985 in women's suit and coat industry shipments, following a 5.1% decline in 1985 from 1984, according to the latest ITA report.

Constant Dollar Value of Women's Suit & Coat Industry Shipments:
1984-1986 & Growth Rates
(Value in 1982 Dollars)

1986(e)	1985(e)	1984	Compound Annual Growth Rate 1972-1984	Compound Annual Growth Rate 1979-1984
$4,007	$3,929	$4,140	+ 4.3%	+ 2.9%

(e) estimated

Source: International Trade Administration; U.S. Dept. of Commerce: 1987 U.S. Industrial Outlook.

GENERAL INDUSTRY STATISTICS

The 1982 census reports on the classification of plants in the apparel industry include three major types of establishments: (1) regular or inside factories, known as "manufacturers", (2) apparel "jobbers", and (3) outside or contract factories, the "contractors."

The "manufacturer" performs all manufacturing functions, from purchases of fabric through finished garment. The "jobber" primarily performs entrepreneurial functions, such as buying materials, designing and preparing samples, arranging with outside factories (contractors) for the manufacture of his garment from his product. A number of jobbers, however, do maintain the cutting operation within their own establishments. The remainder of the manufacturing process is done by contractors. The "contractor" makes products for others to specification, and is not involved in the sale of the finished garment.

The 1982 census reports included the following detail on women's suit/coat industry plants:

	Total*	Manufacturers	Jobbers	Contractors
No. of plants	1,512	306	352	853
Employment, total (000)	78.2	16.5	16.9	44.7
Production workers	63.2	13.2	8.9	41.1
Value added by mfr. (mil. $)	2,067	392	1,142	531
Value of shipments (mil. $)	4,887	803	3,377	702

*Includes information on small plants not reported in data by type of operation detailed above.

The number of plants primarily producing women's coats, suits, etc., dropped to 1,204 in 1984, from 1,512 in 1982. In 1977, there were 1,677; in 1972, 1,618; and in 1967, 2101. A change in fashion and lifestyles, promoting a preference for casual dress, and the impact of imports, have caused a continued decline in domestic activity in the coat and suit industry. Contractors have been particularly affected by imports; including 807 operations (whereby U.S. suppliers can obtain merchandise from abroad, paying only duty on the value added overseas, if the garments are made from U.S. fabrics). The prospect of higher labor costs when new federal laws affecting illegal immigrants become effective, as well as the prospect of a higher minimum wage rate, carry implications of further declines in the number of plants in the U.S. industry.

Until recent months, the value of the U.S. dollar had declined mainly in relation to the currencies of Great Britain, France, West Germany and Japan. Now, however, some major apparel suppliers (Taiwan and South Korea) are showing stronger currencies. These developments, plus others, may turn the tide of imports which have caused so many smaller U.S. plants to fail, and larger companies to consolidate their operations to meet competition from lower-priced imports. In addition to the rising cost of imports, quota restrictions are being tightened and U.S. industry has mounted campaigns to promote domestic products to the trade and to the consumer.

GENERAL INDUSTRY STATISTICS

According to the 1982 Census, there were 1,431 companies in the U.S. which operated plants primarily producing women's coats, suits, uniforms, etc. This compares with 1,563 companies reported in 1977; 1,548 in 1972; 2,058 in 1967. Many companies operate plants in more than one industry classification. According to the Census Bureau's 1982 Enterprise Statistics report, which classified companies by their primary product, there were 1,380 companies primarily producing women's tailored wear (coats, suits, jackets, skirts, and uniforms). Out of these 1,380 only 1,329 were in that product classification. The remaining 51 (although primarily in women's coats, suits etc.) were multi-industry companies.

Industry Concentration

Information on concentration of industry activity at the company and at the plant level is reported by the Census Bureau in special reports. These reports are based on the complete censuses of manufacturers compiled every five years.

Women's apparel manufacturers are primarily small operations in a labor-intensive industry. However, competitive conditions are making it harder for small operations to survive. The larger companies continue to expand, consolidating plants and modernizing production equipment for more efficient operations.

In 1982, of the 1,380 companies engaged primarily in the manufacture of women's coats, suits, uniforms, jackets and skirts, six had 1,000 or more employees. These six companies accounted for 18% of total employment in this classification, and 19.2% of total sales and receipts--$861.2 million, out of a total of $4,4723.2 million.

Company Statistics By Employment Size: 1982

	Companies (number)	Employees (number)	Annual Payroll (mil. $)	Sales & Receipts (mil. $)
All companies (primarily producing women's coats, suits & related tailored wear)	1,380	81,882	$ 926.4	$4,473.2
Employment size:				
Under 50	981	17,971	212.0	1,137.0
50 to 249	353	33,186	351.5	1,311.5
250 to 999	40	15,921	193.1	1,163.5
1000 or more	6	14,804	169.8	861.2

Source: U.S. Bureau of the Census:
1982 Census of Manufactures.

Of the 1,432 companies operating any plants making women's coats, suits and related wear (regardless of the companies primary product), most were single units operating within the one industry classification. However, 123 companies with more than one plant (8.6% of the total) accounted for 53% of industry shipments. In the rainwear/waterproof garment industry, 31 multi-plant companies (32% of the total) accounted for 69% of industry shipments, according to the 1982 census of manufactures.

GENERAL INDUSTRY STATISTICS

Industry Concentration (continued)

The 50 largest companies in suit and coat manufacturing increased their share of industry shipments from 40% in 1972 to 55% in 1982. The top 50 rainwear/waterproof garment manufacturers increased their share of industry shipments from 79% in 1972 to 97% in 1982.

While large companies are increasing their share of the value of industry shipments, measured in real terms (in constant dollars) the domestic industry's shipments have not grown. As previously noted, the ITA estimated value of women's suit/coat industry shipments in 1986 was below the value in 1984 when measured in 1982 dollars, and was only slightly above 1985.

Manufacturers have expressed concern over the rapid decline in their industry's manufacturing facilities, as well as the quality of those remaining. Makers cite flexibility as their main strength against foreign goods, but with the decline in the number of plants, the ability to change quickly to capture changing fashion trends is diminishing.

Single & Multiunit Companies' Share of Shipments: 1982

		Plants		Employees		Value of Industry Shipments	
	Companies	No.	%	Thous.	%	Thous. $	%
Women's & misses' suits & coats	1,432	1,512	100.0%	78.2	100.0%	$4,830.4	100.0%
Multiunit companies	123	203	13.4	27.4	35.0	2,562.1	53.0
Single unit companies	1,309	1,309	86.6	50.8	65.0	2,324.6	47.0
Waterproof outergarments	98	112	100.0%	9.3	100.0%	449.2	100.0%
Multiunit companies	31	45	40.2	6.3	67.7	312.3	69.3
Single unit companies	67	67	59.8	3.0	32.3	136.9	30.5

Source: U.S. Bureau of the Census: 1982 Census of Manufactures, Type of Organization, Subject Series MC82-S-5.

Share of Value of Industry Shipments Accounted For By Largest Companies

		Value of Industry Shipments*				
			% accounted for by largest companies:			
Industry	No. of Companies	Total (mil. $)	4 largest	8 largest	20 largest	50 largest
Women's & misses' suits & coats						
1982	1,432	$4,886.7	19%	28%	40%	55%
1977	1,558	2,912.9	15	20	31	45
1972	1,548	1,805.3	13	18	26	40
Waterproof outer garments						
1982	98	449.2	49	64	84%	97
1977	157	348.8	41	52	70	90
1972	236	332.1	31	40	56	79

* For an explanation of terms, see page 3.

Source: U.S. Bureau of the Census: 1982 Census of Manufactures, Concentration Ratios in Manufacturing MC82-S-7.

Industry Concentration (continued)

Number of Companies With Shipments of Specified Products Valued at $100,000 or More: 1982, 1977

	1982	1977
Women's, misses', juniors'		
Coats (except fur, leather & raincoats)	183	250
Skirts & jackets	669	na

na not available

Source: U.S. Bureau of the Census:
1982 Census of Manufactures (MC82-1-23B).

Another view of industry concentration is at the plant level, based on employment size, in contrast with company totals. As noted in the following table, about 13% of the plants making suits, coats, etc., had 50 or more employees. These plants accounted for over 51% of the value added by manufacture in 1982 and over half of the value of industry shipments.

Concentration of Women's Suit & Coat Industry Plants By Employment Size: 1982

	Establishments		Value Added By Manufacture*		Industry Shipments*	
	Number	%	(Mil. $)	%	(Mil. $)	%
Women's & misses' suits & coat industry, U.S. total	1,512	100.0%	$2,067.1	100.0%	$4,886.7	100.0%
By establishment (plant) size:						
Under 20 employees	612	40.5	183.3	8.9	520.4	10.6
20-49 employees	432	28.6	294.8	14.3	748.9	15.3
50-99 employees	274	18.1	532.0	25.7	1,142.2	23.4
100 or more employees	194	12.8	1,057.0	51.1	2,475.1	50.6
Waterproof outergarments U.S. total	112	100.0%	246.0	100.0%	$ 449.2	100.0%
By establishment (plant) size:						
Under 20 employees	36	32.1	(D)	na	(D)	na
20-49 employees	34	30.4	31.0	12.6	69.2	15.4
50-99 employees	18	16.1	38.2	15.5	94.1	20.9
100 or more employees	24	21.4	(D)	na	(D)	na

na not available
(D) Withheld to avoid disclosure
* For an explanation of terms see page 3.

Source: U.S. Bureau of the Census:
1982 Census of Manufactures.

Industry Concentration (continued)

As previously noted, over half (56.4%) of the plants making women's coats, suits and related wear were operated by contractors, according to the 1982 census of manufactures. In 1977, 54.8% of the 1,672 plants were classified as contractors. A good share of contractors are small sewing shops, operating in lofts or small quarters with non-unionized employees. Many of the employees are newly arrived immigrants, particularly from the Far East and Latin America. This labor supply will be affected by the impending enforcement of the new federal immigration law, contributing to a continuing decline in the number of small plants.

Employment of Plants in the Women's Suit & Coat Industry & Rainwear Industry
By Type of Operation: 1982

	Manufacturers		Jobbers		Contractors	
Women's suits & coats:	Number	%	Number	%	Number	%
Plants, total	306	100.0%	352	100.0%	853	100.0%
Number of employees:						
1 - 19	150	49.0	200	56.8	261	30.6
20 - 99	111	36.2	112	31.8	483	56.6
100 or more	45	14.7	40	11.4	109	12.8
Rainwear						
Plants, total	44	100.0%	23	100.0%	45	100.0%
Number of employees:						
1 - 19	14	31.8	9	39.1	13	28.9
20 - 99	16	36.4	13	56.5	23	51.1
100 or more	14	31.8	1	4.3	9	20.0

In addition to the 1982 census of manufactures information covered above, the Census Bureau issues annual figures on the number of establishments (plants) by employment size. The latest available report covers the year 1984. A decline of almost 22% in the number of plants classified in the industry since 1980 was reported, with most of the decline among plants with fewer than 20 employees.

Number of Women's Suit & Coat Manufacturing Plants
By Employment Size: 1983, 1984

	1984		1983	
	Number	%	Number	%
Women's & misses' suits & coats	1,204	100.0%	1,297	100.0%
By establishment size:				
Under 20 employees	509	42.3	545	42.0
20 - 49 employees	294	24.4	350	27.0
50 - 99 employees	215	17.9	230	17.7
100 or more employees	172	14.3	172	13.3

Source: U.S. Bureau of the Census:
County Business Patterns 1983, 1984.

GENERAL INDUSTRY STATISTICS

Operating Ratios

Selected Industry Operating Ratios: Selected Years, 1972-1982

	Women's Suits & Coats			
	1982	1980	1977	1972
Payroll per employee	$11,139	$ 9,359	$ 7,719	$ 5,885
Production workers:				
% of total employment	81	87	86	86
Annual hours	1,991	1,704	1,698	1,800
Av. hourly earnings	$ 4.60	$ 4.47	$ 3.80	$ 2.77
Cost of materials as % of value of shipments	57	50	51	54
Cost of materials & payroll as % of value of shipments	75	73	73	79
Value added per employee	$26,434	$20,768	$16,867	$11,065
Payroll as % of value added	42	45	46	53
Value added per production worker hours	$ 16.43	$ 14.08	$ 11.59	$ 7.19

	Rainwear/Waterproof Outer Garments			
	1982	1980	1977	1972
Payroll per employee	$10,871	$ 9,053	$ 7,450	$ 5,610
Production workers:				
% of total employment	86	87	84	86
Annual hours	1,737	1,673	1,772	1,780
Av. hourly earnings	$ 5.36	$ 4.85	$ 3.44	$ 2.66
Cost of materials as % of value of shipments	46	43	45	50
Cost of materials & payroll as % of value of shipments	68	71	71	76
Value added per employee	$26,452	$19,177	$16,200	$10,961
Payroll as % of value added	41	47	46	51
Value added per production worker hours	$ 17.70	$ 13.21	$ 10.86	$ 7.18

Note: Values are in current dollars.

Source: U.S. Bureau of the Census.

Employment & Earnings

As evidenced in previously reported data on plant counts, employment in the women's suit and coat industry in the U.S. has been in a steady decline for many years. In 1973, according to the Bureau of Labor Statistics, there were 64,500 production workers in the industry. This dropped to 57,100 in 1980, and continued to register annual decreases. The total reached an average 35,900 in 1986-37% below the 1980 total. Total employment was off 33.1% in the same period, dropping from 65,600 in 1980 to 43,900 in 1986.

Changes in fashion tastes, plant closings and consolidations due to increased sourcing overseas of finished coats and suits, and imports under the provisions of item 807 of the Tariff Schedule, and the adoption of labor-saving machinery and equipment have all contributed to this decline.

GENERAL INDUSTRY STATISTICS

Employment & Earnings (continued)

Through the complete censuses of manufactures and the annual surveys, the Census Bureau has also compiled information on employment as well as total payrolls in plants classified by SIC code. The employment counts differs somewhat from the annual averages compiled by the Bureau of Labor Statistics due to differences in methodology.

Fluctuations in employment levels in the coat and suit industry are noted in Census Bureau reports covering the years since 1967. Peak employment for the industry was in 1977, when almost 85,000 employees were in women's suit/coat plants, compared with 83,800 in 1967. Payrolls (current dollars) in the industry soared to $659 million in 1985 compared with $423.3 million in 1967; but were not much above the $655.3 million level of 1977.

Employment in plants producing men's, women's and children's rainwear and other waterproof garments has registered a very sharp drop, according to the Census Bureau. From a high of 23,300 in 1967, the number of employees dwindled to 15,000 by 1973 and stood at 8,300 in 1985.

Total payrolls in this industry amounted to $95,600 in 1985, only slightly above the 1977 current dollar total of $95.3 million.

Trends in Employment and Earnings in the Suit & Coat Industry:
1983 - 1986, April 1986, 1987
(Annual average except where noted)

	Total Employment (thous.)	Production of Workers Employment (thous.)	Average Weekly Earnings	Average Hourly Earnings	Average Weekly Hours
April Average					
1987	41.0	33.1	$216.41	$ 6.46	33.5
1986	42.4	34.7	221.71	6.54	33.9
Annual Average					
1986	43.9	35.9	$224.35	6.41	35.0
1985	44.5	36.7	220.59	6.45	34.2
1984	51.4	42.4	211.01	6.17	34.2
1983	55.9	47.1	202.30	5.95	34.0

Source: U.S. Department of Labor,
Bureau of Labor Statistics.

Industry Location

Industry Statistics For Leading States: 1982

	All Plants		Employees		Value added By Manufacture	
	Total	With 20+ Employees	No. (thous.)	% of Total	Mil. $	% of Total
Women's & misses' suits & coats,						
U.S. total	1,512	900	78.2	100.0%	$2,067.1	100.0%
Leading states:						
New York	547	250	17.9	22.9	588.5	28.5
California	171	85	6.7	8.6	309.8	15.0
New Jersey	231	156	10.7	13.7	280.8	13.6
Massachusetts	126	92	7.9	10.1	189.9	9.2
Pennsylvania	82	67	6.2	7.9	164.5	8.0
Waterproof outergarments,						
U.S. total	112	76	9.3	100.0	246.0	449.2
Leading states						
New York	24	16	0.6	6.5	23.3	62.9
Massachusetts	12	9	1.5	16.1	22.4	32.7
New Jersey	9	6	0.5	5.4	11.9	23.4
Georgia	6	5	0.4	4.3	7.9	14.6
Florida	5	5	0.2	2.2	5.4	6.4

Source: U.S. Bureau of the Census; 1982 Census of Manufactures.

PRODUCTION

The U.S. Bureau of the Census compiles quarterly and annual reports on production of women's apparel by U.S. producers. This includes garments cut or knit within the U.S. from material owned by the reporting company or by others on its account. In addition, apparel cut in the U.S. using domestic fabrics, which is then sent to Caribbean-basin countries to be assembled and sewn, then shipped back to the U.S. under the 807 provision of the Tariff Schedule, are included. The figures are compiled through mail surveys among all known manufacturers and jobbers, except very small firms (generally less than five employees).

Unit production of almost every measured type of tailored wear decreased in 1986, but increases were reported for pantsuits and skirts. Production of coats, overall, fell 41.2%--primarily due to a drastic (80.0% decline in down and feather-filled coats. Production of vests fell by 48.1% during the same period. Raincoat production was off by more than 25%.

Total domestic supply increased in both suits and coats, as well as skirts, as imports more than compensated for the decline in domestic output.

PRODUCTION

Summary of Production of Women's, Misses' & Juniors' Coats, Suits & Related Apparel: 1982, 1985, 1986

(Thousands of units)

	1986	1985	1982	% Change 1986/85
Suits, total	10,841	12,284	13,812	- 11.7%
Pantsuits	5,670	3,483	4,463	+ 62.7
All other suits, incl. uniform	5,171	8,801	9,049	- 41.2
Coats, total				
Down & fiber filled coats, jackets & vests	104	522		- 80.2
All other coats, except fur, all leather and rain	10,633	10,680	12,366	- 0.4
Jackets, total (including uniform)	24,301	25,540	40,164	- 4.9
Separate tailored suit-typ	21,945	22,789	36,648	- 3.7
All other, except ski	2,356	2,751	3,516	- 14.4
Vests (except sweater vests)	420	809	2,448	- 48.1
Raincoats	3,071	4,129	4,884	- 25.6
Skirts	96,983	95,379	105,012	+ 1.7

Source: U.S. Bureau of the Census,
Current Industrial Reports;
Women's & Children's Outerwear-1986 MA23F(86)-1.

Production of Women's, Misses' & Juniors' Coats, Suits & Related Apparel Total & By Construction/Fabric Type: 1982, 1985, 1986

(Thousands of units)

	1986	1985	1982	% Change 1986/85
Suits (including uniform)	10,841	12,284	13,812	- 11.7%
Pantsuits	5,670	3,483	4,463	+ 62.7
Woven fabric:				
All cotton and chiefly cotton	629			
All manmade and chiefly manmade	1,039			
All wool and chiefly wool	276			
All other fabric	302	3,483	4,763	+ 62.7
Knit fabric:				
All cotton and chiefly cotton	186			
All manmade and chiefly manmade	2,216			
All wool and chiefly wool	305			
All other fabric Fabric n.s.k.	447			

(continued)

Production of Women's, Misses' & Juniors' Coats, Suits & Related Apparel
Total & By Construction/Fabric Type, 1982, 1985, 1986

(Thousands of units)
(continued)

	1986	1985	1982	% Change 1986/85
Suits except pantsuits (including uniform	5,171	8,801	9,049	- 41.2%
Knit fabric:				
All cotton and chiefly cotton	--			
All manmade and chiefly manmade	(D)			
All wool and chiefly wool	--			
All other fabric	(D)	8,801	9,049	- 41.2
Woven fabric:				
All cotton and chiefly cotton	588			
Manmade/wool blends, chiefly manmade	691			
All manmade & chiefly manmade, except manmade wool blends	709			
All wool & chiefly wool	1,577			
All other fabric Fabric n.s.k.	1,602			
Coats & capes, excluding down or feather-filled, fur, all-leather and raincoats	10,633	10,680	12,366	- 0.4%
All cotton and chiefly cotton	219	171	114	+ 28.1
Manmade/wool blends, chiefly manmade	779	(D)		na
All manmade & chiefly manmade, except manmade wool blends	3,215	3,798	5,000	- 15.4
All wool & chiefly wool	6,098	6,211	6,056	- 1.8
All other fabric	172	(D)	39	na
Fabric n.s.k.	150	303	1,157	- 50.5
Down and feather-filled coats, jackets & vests	104	522	na	- 80.1
All cotton & chiefly cotton	54	57	na	- 10.5
All manmade & chiefly manmade	48	450	na	- 89.3
All wool & chiefly wool	--	--	na	na
All other fabric	--	--	na	na
Fabric n.s.k.	2	15	na	- 86.7
Jackets	24,301	25,540	40,164	- 4.9
Separate tailored suit type jackets	21,945	22,789	36,648	- 3.7
Woven fabric:				
All cotton and chiefly cotton	2,509			
Manmade/wool blends, chiefly manmade	2,906			
All manmade & chiefly manmade, except manmade wool blends	6,419			
All wool & chiefly wool	3,196			
All other fabric	269	22,789	36,648	- 3.7
Knit fabric:				
All cotton & chiefly cotton	(D)			
All manmade & chiefly manmade	4,194			
All wool & chiefly wool	406			
All other fabric	(D)			
Fabric n.s.k.	1,916			

(continued)

Production of Women's, Misses' & Juniors' Coats, Suits & Related Apparel Total & By Construction/Fabric Type, 1982, 1985, 1986

(Thousands of units)
(continued)

	1986	1985	1982	% Change 1986/85
Nontailored outer jackets (excluding ski)	2,356	2,751	3,516	- 7.8%
Woven fabric:				
All cotton and chiefly cotton	819			
All manmade and chiefly manmade	594			
All wool and chiefly wool	(D)			
All other fabric	50	2,751	3,516	- 7.8
Knit fabric:				
All cotton and chiefly cotton	(D)			
All manmade and chiefly manmade	264			
All wool and chiefly wool	(D)			
All other fabric	(D)			
Fabric n.s.k.	390			
Vests (excluding sweater vests and coat vests)	420	809	2,448	- 48.1
By construction:				
Woven fabric	164	403	648	- 59.3
Knit fabric	156	232	1,512	- 32.8
Construction, n.s.k.	100	174	288	- 42.5
By fabric:				
All cotton & chiefly cotton	37	214	420	- 82.7
All manmade & chiefly manmade	229	311	123	- 26.4
All wool ~~& chie~~fly wool	52	145		- 64.1
All other fabric Fabric n.s.k.	102	139	168	- 26.6
Raincoats	3,071	4,129	4,884	- 25.6
All cotton & chiefly cotton	(D)	(D)		na
All manmade & chiefly manmade	1,428	3,036	4,884	- 53.0
All other fabric, including plastic and rubberized	1,163	681		+ 70.8
Fabric n.s.k.	(D)	(D)		na
Skirts	96,983	95,379	105,012	+ 1.7
Woven fabric				
All cotton & chiefly cotton	25,878			
Manmade/wool blends, chiefly manmade	9,172			
All manmade and chiefly manmade except manmade/wool blends	30,388			
All wool & chiefly wool	7,328			
All other fabric	2,943	95,379	105,012	+ 1.7
Knit fabric				
All cotton & chiefly cotton	1,579			
Manmade/wool blends, chiefly manmade	862			
All manmade and chiefly manmade except manmade/wool blends	6,603			
All wool & chiefly wool	362			
All other fabric Fabric n.s.k.	186			

(footnotes continued)

PRODUCTION

(D) Withheld to avoid disclosure of individual company figures.

NOTE: Information on women's slacks/pants-which are made in the Women's Outerwear, N.E.C. Industry (SIC 2339)is covered in the CASUAL WEAR, SEPARATES FACT FILE.

Source: U.S. Bureau of the Census,
Current Industrial Reports:
Women's & Children's Outerwear, 1986 (MA23F(86)-1.

Seasonality in Production

Percent of Reported Cuttings by Month: 1985, 1986

	Coats, exc. Raincoats		Suits, incl. Pants Suits		Skirts		Tailored separate jackets (blazers)	
	1986	1985	1986	1985	1986	1985	1986	1985
Total	100.0%	100.0%	na	100.0%	100.0%	100.0%	100.0%	100.0%
January	5.0	3.8		6.7	9.7	9.2	8.7	9.2
February	5.7	3.7		6.7	9.7	8.7	7.9	8.1
March	6.9	4.9		7.0	10.2	8.5	11.2	8.3
April	7.7	6.9		6.7	9.5	8.1	8.4	8.4
May	6.9	8.7		7.8	8.3	8.4	9.2	7.8
June	10.0	11.6		7.3	8.4	7.6	8.7	7.7
July	9.6	10.7		7.0	8.0	7.9	7.7	7.8
August	10.8	13.0		8.1	7.9	8.3	8.0	9.8
September	12.5	11.7		9.1	8.2	8.0	8.1	8.4
October	12.6	12.2		12.6	7.7	9.5	8.0	8.4
November	7.2	7.3		10.6	6.3	7.6	6.6	8.3
December	5.0	5.2		10.6	6.2	15.7	7.6	7.8

na not available

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Women's & Children's Outerwear (MA23F(86-1).

PRODUCTION

Materials Consumed in Production

Materials Consumed in Production of Specified Women's Coats, Suits & Rainwear 1977, 1982
(Delivered cost in millions of dollars)

	1982	1977	% Change 1982/1977
Women's & misses' suits & coats, total	$1,642.6	$ 941.8	+ 74.4%
Broad woven fabrics	567.7	412.7	+ 37.6
Purchased knitted fabrics	107.9	182.5	- 40.9
All other materials, components, parts containers and supplies	234.2	93.6	+150.2
Materials containers & supplies, n.s.k.	732.8	253.0	+189.6
Waterproof outergarments, total	157.1	105.2	+ 49.3
Broadwoven fabrics	99.8	51.6	+ 81.8
Purchased knitted fabrics		3.3	
All other materials, components, parts containers & supplies	35.2	21.7	+ 62.2
Materials, containers & supplies, n.s.k.	22.1	28.6	- 22.7

n.s.k. not specified by kind

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
Industry Series.

PRODUCT SHIPMENTS

In contrast with "industry shipments" previously covered and defined on page 3, the value of specific products shipped by all manufacturers (product shipments), regardless of industry classification, is reported by the Census Bureau.

In addition, the International Trade Administration compiles trend information on some products covering the value of shipments on a constant dollar basis, eliminating the effects of inflation. Reversing a decline in "real" value of shipments of women's suits and coats in 1985, the ITC anticipated a real gain of 2.4% in 1986 compared with 1985, based on preliminary 1986 information.

Trends in The Constant Dollars Value of Shipments Of Women's Suits & Coats By All Producers
(Based on 1982 $)

Percent Change Compound Annual		Annual	
1972-1984	1979-1984	1984-1985	1985-1986
+ 5.4%	+ 6.1%	- 3.5%	+ 2.4%

Source: International Trade Administration;
1987 U.S. Industrial Outlook.

PRODUCT SHIPMENTS

The total value of women's, misses' and juniors' tailored wear (not including rainwear) shipped by all U.S. producers was reported at $3.4 billion in 1982, based on the complete census of manufactures. This was 61% over the 1977 total (current dollars).

Quality & Value of Shipments: 1982, 1977

	Quantity (thous.)		Value (mil. $)	
	1982	1977	1982	1977
Total reported	--	64,356	$3,416.3	$2,122.0
Women's, misses' & juniors'				
Coats (except fur, leather & raincoats	12,234	19,040	$ 621.9	612.1
Suits (including uniform suits & pantsuits)	13,140	38,859	443.2	768.9
Skirts & jackets	nr	6,457	2,351.2	741.0

Source: U.S. Bureau of the Census,
1982 Census of Manufactures;
(Industry Series MC82-1-23B).

The value of women's tailored wear made of knit fabric, but cut and sewn by suit and coat manufacturers is included in the above figures. However, the value of suits and coats made in knitting mills is not. In 1982, the value of women's suits and coats shipped by knitting mills amounted to $36.1 million, down from $97.0 million in 1977.

Current information on a quarterly and annual basis on the value of shipments of women's wear is reported by the Census Bureau in the Current Industrial Reports, described in the section on PRODUCTION. Small manufactures, for which estimates are compiled by the Bureau in the complete Census of Manufactures, are not included in the CIR reports.

Value of Shipments of Specified Women's Wear: 1985, 1986
(Millions of dollars)

	1986	1985	% Change 1986/85
Women's, misses', juniors' total, reported apparel items	$3,039.2	$3,133.4	- 3.0%
Suits (including uniform)	364.7	385.3	- 5.3
Pantsuits	103.8	70.6	+ 47.0
All other suits	260.9	314.7	- 17.1
Jackets, total	707.9	766.7	- 7.7
Separate tailored suit type jackets	653.3	690.1	- 5.3
Nontailored outer jackets, excl. ski	54.6	76.6	- 28.7
Separate skirts	1,263.5	1,214.3	+ 4.1
Coats & vests, total	605.7	601.5	- 0.7
Coats & capes, except down or feather filled fur, all leather and rain	586.9	574.2	+ 2.2
Down & feather filled coats, jackets & vests	9.8	14.4	- 31.9
Vests, excl. sweater vests & coat vests	9.0	12.9	- 30.2
Raincoats	97.4	165.6	- 41.1

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Women's & Children's Outerwear (MA23F(86)-1).

PRODUCT SHIPMENTS

Concentration in Product Shipments

The latest figures on the share of shipments of specified products accounted for by the largest manufacturers are for the year 1982, compiled in the complete Census of Manufactures conducted every five years. (Information about concentration on a company and plant basis covering industry shipments of all products and miscellaneous receipt's has been covered in the INDUSTRY STATISTICS section.)

Between 1977 and 1982 concentration of rainwear shipments among large companies increased dramatically. The share of shipments accounted for by the four largest manufacturers rose from 34% to 48%. Along with consolidations within the industry, the decline in shipment value forced many smaller firms out of business, allowing the larger ones to increase their shares.

In the suits and coats, the share of shipments accounted for by the largest firms remained relatively stable reflecting the fashion orientation of the merchandise. However, suit and coat share of shipments were less highly concentrated than rainwear.

Share of Specified Women's Suit, Coat and Rainwear Shipments
By The Largest U.S. Manufacturers, 1982

	Product Shipments (Mil. $)	% of value accounted for by the largest companies			
		Top 4	Top 8	Top 20	Top 50
Women's, misses' & juniors coats (except fur, leather, and raincoats)					
1982	$621.9	15%	25%	45%	74%
1977	612.1	14	23	42	69
Women's, misses' & juniors' suits					
1982	407.1	22	34	60	84
1977	665.3	22	33	51	73
Raincoats & other waterproof outerwear (men's, women's, children's)					
1982	237.0	48	64	86	98
1977	313.1	34	46	68	90

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
Concentration Ratios in Manufacturing.

PRODUCER PRICE TRENDS

Preliminary producer (factory) price indexes for the month of April, which are unadjusted for seasonal factors, generally show an increase compared with indexes for the month of December 1986. But, overall, the level for women's tailored clothing was below year-ago levels.

The outlook for the coming months is for price increases due to sharply escalating world prices for wool, and increases in prices of other fibers. Although the impact of these gains will not be felt until 1988, fabric mills are scurrying in world markets to cover their needs as far ahead as possible. Import restrictions may also encourage domestic suppliers to increase their prices as the competitive edge of foreign suppliers is reduced due to higher costs and devaluation of the U.S. dollar.

PRODUCER PRICE TRENDS

Producer Price Levels as of December 1986, April 1987
(Not seasonally adjusted)
Index Base: Dec. 1982=100

	Monthly Index			Percent Change	
	April 1987(p)	Dec. 1986	Dec. 1985	April 1987/86	December 1986/85
Women's, misses', juniors' tailored wear (incl. uniforms)	103.0	101.6	100.9	- 0.7	- 0.7
Coats (exc. fur, all-leather raincoats)	97.3	95.7	97.2	- 6.8	- 1.5
All wool, chiefly wool	110.1	106.9	94.4	+ 0.5	+13.2
Suits	96.2	96.2	nr	nr	--
Skirts, jackets	107.0	105.6	106.2	+ 2.3	- 0.6
Skirts, including uniform	111.1	108.7	109.1	+ 4.3	- 0.4
Jackets	101.1	101.1	102.0	- 0.9	- 0.9
Contract work on suits & coats	114.9	112.1	111.3	+ 4.1	+ 0.7
Raincoats, capes (includes men's, women's & children's) (Base: 6/85=100)	104.8	101.4	100.0	nr	+ 1.4

(p) preliminary
nr not reported

Source: U.S. Bureau of Labor Statistics: Employment & Earnings

FOREIGN TRADE

Imports, particularly from the Far East, account for a major share of the U.S. apparel market. Women's tailored wear is definitely not an exception. The high labor intensity in this product category makes the labor cost advantages of developing countries an important factor in the competitive edge. However, world prices for raw materials of particular importance to this industry; particularly the soaring price of wool, will be a factor in future developments, along with the efforts of domestic manufacturers to increase domestic production.

In any event, the escalation of wool prices, as well as of manmade fibers and cotton, and the strengthening of currencies in the Far East against the U.S. dollar, may cut down on the competitive edge of foreign suppliers, regardless of developments connected with trade restrictions.

The Census Bureau has compiled data on the penetration made in the U.S. market supply (new) by imports for certain product categories. Based on units, imports represented 64% of total new supply of women's and children's coats and jackets in the U.S. in 1986, up from a 59% share in 1985. Imports represented 48% of total new supply of women's suits last year, compared with 59% in 1985; in skirts, imports' share moved from 33% to 45% in the same period.

Imports of women's and children's tailored wear continued to climb in 1986. In terms of custom value (which is the price paid, not including freight, insurance, duties, etc.), the value of imports of women's and children's suits, coats, skirts and pants reached $1.7 billion in 1986, according to the USITC. A 27% gain over the 1985 value. In quantity, imports were up 34%. Although exports of this merchandise category increased for the second consecutive year, and may continue to gain in view of the devalued U.S. dollar, this represents only a small portion of total domestic output at the present time.

FOREIGN TRADE

Quantity and Value of U.S. Imports & Exports of Women's & Childrens' Suits, Coats, Skirts & Jackets: 1984, 1985, 1986
(Quantity in thousands of dozens; value in millions of dollars)

	1986	1985	1984	% Change 1986/85
Imports:				
Quantity (1,000 dozen)	15,441	11,489	14,706	+ 34.4%
Value (1,000 dollars)*	$1,739,248	$1,365,132	$1,252,006	+ 27.4
Exports:				
Quantity (1,000 dozen)	687	582	501	+ 18.0
Value (1,000 dollars)	$ 39,507	$ 33,134	$ 31,035	+ 19.2

* Import value is customs value, defined as the price actually paid or payable for merchandise when sold for exportation to the United States, excluding U.S. import duties, freight, insurance and other charges incurred in bringing the merchandise to the U.S.

Source: U.S. Industrial Trade Commission (USITC): U.S. Trade Shifts in Selected Commodity Areas, (USITC Publication 1980).

Imports

Detailed information on quantity of U.S. imports of women's tailored wear by major fiber-content is available from the International Ladies Garment Workers Union. The following table tracks the increase in imports from 1981 through 1986.

Imports (For Consumption) of Selected Women's & Children's Wear
(Thousands of units)

	Annual Total					
	1986	1985	1984	1983	1982	1981
Suits, total	7,935	6,361	6,916	6,353	3,973	2,766
Wool	1,526	1,175	1,413	1,390	1,018	654
Synthetic	6.409	5,187	5,503	4,963	2,955	2,112
Coats & jackets, total	80,609	72,217	71,007	64,448	61,079	53,818
Cotton	27,312	24,892	23,085	18,528	18,935	19,744
Wool	5,637	5,001	4,343	3,276	2,229	2,300
Synthetic	47,660	42,325	43,578	42,645	39,915	31,744
Raincoats (men's, women's & children's), total	13,024	11,846	11,460	6,777	6,623	6,759
Cotton	2,188	2,440	3,927	2,332	2,044	1,994
Synthetic	10,836	9,406	7,534	4,445	4,578	4,764

Source: ILGWU based on U.S. Bureau of the Census.

TOTAL DOMESTIC SUPPLY (NEW SUPPLY)

U.S. Shipments, Exports, Imports & Apparent Consumption
Of Reported Types of Women's & Children's Wear: 1985, 1986
(Quantity in thousands of dozens; value in millions of dollars)

	Skirts		Coats & Jackets		Suits	
1986	Quantity	Value	Quantity	Value	Quantity	Value
Manufacturers shipments*	8,832	$1,318.2	4,194	$1,549.4	967	$375.2
Exports of domestic mdse.**	280	11.0	201	12.8	189	15.1
"807" imports						
Quantity	471	--	350	--	130	--
Value: U.S. content	--	19.8	--	24.4	--	17.7
Total value ***	--	29.3	--	36.8	--	27.5
Total imports for consumption	7,020	749.1	7,074	1,121.1	712	240.2
New domestic supply	15,592	2,056.3	11,067	2,657.7	1,490	600.3
Imports: % of supply	45.0%	36.4%	63.9%	42.2%	47.8%	40.0%
1985						
Manufacturers shipments*	8,798	$1,261.8	4,762	$1,559.4	1,143	$401.0
Exports of domestic mdse.**	180	7.4	278	14.8	119	10.7
"807" imports						
Quantity	259	--	358	--	107	--
Value: U.S. content	--	12.0	--	21.2	--	13.3
Total value ***	--	17.5	--	31.6	--	20.6
Total imports for consumption	4,284	433.2	6,460	1,041.8	572	182.1
New domestic supply	12,902	1,687.6	10,944	2,586.4	1,596	572.4
Imports: % of supply	33.2%	25.7%	59.0%	40.3%	35.8%	31.8%

* Value of manufacturers' shipments is f.o.b. plant
** Value of exports is value at port
*** CIF value includes cost, insurance and freight to port of entry-duty is not included.

Source: U.S. Bureau of the Census: *Current Industrial Reports* (MA23F(86)-1).

TAILORED UNIFORMS (CAREER APPAREL)

Tailored uniforms (including suits, coats, jackets, etc.) data are included in date previously covered in this Fact File; and production and shipments are not separately reported by the Census Bureau. However, trade information indicates that this is one of the fastest growing areas in the apparel industry, along with washable service apparel. Current estimates place the total value of tailored and washable service apparel (men's and women's) at the factory level at $5.0 billion-up from an estimated $4.1 billion in 1984.

TAILORED UNIFORMS (CAREER APPAREL)

The women's tailored uniform segment of the market is registering fast growth due to the great increase noted in women entering occupations previously held only by men; where uniforms are required, and usually supplied by the employer. This includes the Armed Forces, firefighters, police, sanitation workers, etc.

The Bureau of Labor Statistics reports that the number of women in the Armed Forces stationed in the U.S. increased 25% from 1980 to 1986, climbing from 124,000 to 155,000. In 1977, the count was only 92,000. Females in police and detective forces rose 20% from 1983 to 1986, bringing the total to 73,000. The number of female firefighters went up 150%; bus drivers, 25.9%; mail carriers, up about 36%.

In addition to market growth due to expansion in employment in occupations where tailored uniforms are the norm, more companies are using uniforms for their staffs to promote the company image. Occupations such as airline attendants, hotel staffs, etc.; where tailored uniforms are needed, have increased greatly in number. The BLS reports the following growth in career occupations that are represented in the market for women's tailored uniforms.

Female Employment in Selected Occupations: 1983, 1986
(Includes women age 16 years & older)

	1986	1983	% Change 1986/83
Protective Service	222	214	+ 3.7%
Supervisors	7	6	+ 16.7
Firefighting & fire prevention	5	2	+150.0
Police & detectives	73	61	+ 19.7
Guards	136	146	- 6.8
Mail & message distributing occupations	311	252	+ 23.4
Postal clerks, except mail carriers	130	91	+ 42.9
Mail carriers, postal service	61	45	+ 35.6
Mail clerks, exc. postal service	82	85	- 3.5
Messengers	37	32	+ 15.6
Other occupations:			
Bus drivers	209	166	+ 25.9
Airplane pilots & navigators	1	1	--
Hotel clerks	56	44	+ 27.3
Transportation ticket & reservation agents	78	63	+ 23.8
Bank tellers	442	437	+ 1.1
Armed Forces, stationed in U.S.	155	143	+ 8.4

Source: U.S. Bureau of Labor Statistics: Employment & Earnings.

AT THE RETAIL LEVEL

THE POTENTIAL MARKET FOR TAILORED WEAR

Growth in the size of the market for women's tailored wear is not only a reflection of population growth, but more importantly, of the increase in the number of working women. Particularly in the growing number with managerial positions, requiring a tailored appearance.

By 1994, the total female population over age 16 is expected to increase 17.2% reaching a total of 103 million. The total female population 35-54 years old is the fastest growing segment, with a gain of 44% expected during this period.

The growth of the population 35 to 54 years of age bodes well for the future of the suit and coat industry. Women in this age bracket tend to be in the labor force and are at a point in their careers where their earnings have increased significantly.

Female Population Projections 1987, 1994, 2005
(Middle Series)

	Number (Thousands)			% Change	Percent Distribution		
	1987	1994	2005	2005/1987	1987	1994	2005
Total, all ages	124,774	132,251	141,381	+ 13.3%	100.0%	100.0%	100.0%
16 years & over	97,454	102,903	113,018	+ 16.0	78.1	77.9	80.0
16 - 19	7,233	6,426	7,707	+ 6.6	5.8	4.9	5.5
20 - 34	31,323	29,068	26,706	- 14.7	25.1	22.0	18.9
35 - 54	29,352	36,202	41,249	+ 40.5	23.5	27.4	29.2
55 - 64	11,591	11,002	15,399	+ 32.9	9.3	8.3	10.9
65 years & over	17,955	20,205	21,957	+ 22.3	14.4	15.3	15.5
Median age	33.3	35.6	39.2	+ 17.7	--	--	--

* Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. Includes Armed Forces overseas.

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census:
Current Population Reports,
Series P-25, No. 952 (May 1984).

Women accounted for 44% of the labor force in 1985 with the share expected to increase to 46.4% by 1995, according to the Bureau of Labor Statistics. Women will account for about two-thirds of the total growth between 1984 and 1990.

More than 52 million women were in the labor force in 1986, an increase of 2.7% from the prior year. Today about 75% of all women aged 25-34 are in the work force. By comparison, 15 years ago, about 45% of the women in this age group sought employment. There has been an increase of more than 12 million women in all age groups to the labor force over the last decade.

THE POTENTIAL MARKET FOR TAILORED WEAR

Female Civilian Labor Force by Age, 1986 & Projections to 1995

	Labor Force (thous.)		% Change	% of Population	
	1986	1995	1995/86	1986	1995
Women, total	52,413	59,886	+ 14.3%	55.3%	58.9%
By age:					
16 to 19	3,824	3,307	- 13.5	53.0	51.2
20 to 24	7,293	6,316	- 13.4	72.4	76.3
25 to 34	15,208	16,168	+ 6.3	71.6	81.1
35 to 44	12,204	16,943	+ 38.8	73.1	80.5
45 to 54	7,746	11,408	+ 47.3	65.9	71.3
55 to 64	4,940	4,695	- 5.0	42.3	42.7
65 years & over	1,119	1,049	- 12.5	7.4	5.0

Source: Bureau of Labor Statistics: Monthly Labor Review (Nov. 1985)
Employment & Earnings (January 1987)

The proportion of women in managerial and professional positions has been on the rise since the 1970s. In 1986 24% of women fell into this category compared with 21.7% in 1983, according to the Bureau of Labor Statistics. Women accounted for over 49% of the Nation's 13.9 million professional specialty workers in 1986 compared with 45% in 1975. The influx into upper management and professions spells more buyers of women's suits and related wear.

Number of Women in Managerial/Professional Occupations: 1983, 1986
(In thousands)

	Number of Women		% Change
TAILORED SUIT AND COAT RELATED OCCUPATIONS	1986	1983	1986/83
Managerial and professional specialties	11,524	9,659	+19.3%
Executives, administrative and managerial	4,652	3,490	+33.3
Officials and administrators, public administration	196	161	+21.7
Financial managers	157	138	+13.8
Personnel and labor relations managers	56	47	+19.1
Purchasing managers	29	19	+52.6
Administrator, education and related fields	239	172	+39.0
Managers, medicine & health	79	52	+51.9
Managers, property & real estate	160	131	+22.1
Management related occupations	1,597	1,195	+33.6
Managers marketing, advertising and public relations	110	86	+27.9
Professional specialty workers, total	6,872	6,169	+11.4
Engineers, surveyors, architects	119	104	+14.4
Mathematical and computer scientists	228	137	+66.4
Natural scientists	86	73	+17.8
Health diagnosing occupations	109	98	+11.2
Health assessment and treating	1,728	1,629	+ 6.1
Teachers: college and university	230	220	+ 4.5
other	2,613	2,386	+ 9.5
Counselors, educations and vocational	93	93	--
Librarians, archivists, curators	176	180	- 2.2
Lawyers, judges	118	103	+14.6
Other	1,371	1,140	+20.3

Source: Bureau of Labor Statistics.

THE POTENTIAL MARKET FOR TAILORED WEAR

Correlated with the rise of women into more responsible, management positions has been increased earnings of women.

The highest median weekly earnings of women who were full-time wage and salary workers in 1986 were among those in the 35-44 year old age bracket ($319). The second highest median ($308) was among women employees age 45-54 years.

Overall, the median weekly earnings of all female full-time wage and salary earners rose to $290 in 1986, up $13 a week from a year earlier. While the median for women is still far below that of men, the increase for women have been larger, thus the gap is narrowing. This increase for women's earnings translates into more disposable income which could be spent on apparel.

Median Weekly Earnings of Female Full-Time Wage and Salary Workers By Age, 1984, 1985, 1986

	1986	1985	1984	% Change 1986/85
Total 16 years and over	$290	$277	$265	+ 4.7%
16 - 24 years	218	210	203	+ 3.8
25 years and over	308	296	282	+ 4.1
25 - 34	305	295	284	+ 3.4
35 - 44	319	307	291	+ 3.9
45 - 54	308	291	278	+ 5.8
55 - 64	295	284	269	+ 3.9
65 and over	255	242	218	+ 5.4

Source: Bureau of Labor Statistics: Employment & Earnings.

Note: For detailed information on employment levels, income, etc., see the FACT FILE on CONSUMER MARKET DEVELOPMENTS.

RETAIL SALES BY PRODUCT

Data on sales of women's suits, coats and rainwear, purchased in major retail outlet types was developed by the U.S. Census Bureau in the complete census of retail trade. This census, compiled every five years (most recently in 1982) is the only official data on merchandise line sales by type of retail outlet.

Women's ready-to-wear stores are the dominant outlet type in both the suits and jacket category as well as the dress coat, outerjacket and rainwear group. Women's wear stores accounted for 54.6% and 49.8% of reported sales in these categories, respectively. Department stores ranked second in reported sales volume in both these areas.

As defined by the Census Bureau, department stores consist of three components: conventional department stores, discount/mass merchandisers, and department stores operated by national chains, such as Sears and Penney.

The census of retail trade does not include separate sales information for each of these operations. However, there is a breakdown on total department store sales for the year: conventionals accounted for 32.0%; discount/mass merchandisers, 39.1%; national chains, 39.1%. The mass merchandiser/ discounter department stores (which represented 76% of all department stores and a combined 68% of department store sales in 1982), have undoubtedly increased their shares since 1982.

RETAIL SALES BY PRODUCT

Reported Sales of Women's Suits, Coats & Rainwear
By Outlet Type, 1982
(In retail establishments with payroll)

	Establishments**		Sales	
	Number	Percent	Thous. $	Percent
Women's, misses', juniors':				
Dress coats, outer jackets & rainwear reported total	42,763	100.0%	$2,811,198	100.0%
Department stores *	5,833	13.6	1,059.171	37.7
Women's ready-to-wear stores	26,152	61.2	1,399,842	49.8
Family clothing stores	9,736	22.8	331,000	11.8
Men's wear stores	1,042	2.4	21,185	0.8
Suits, tailored jackets, reported total	46,925	100.0	4,359,707	100.0
Department stores*	5,492	11.7	1,481,081	34.0
Women's ready-to-wear stores	30,397	64.8	2,381,294	54.6
Family clothing stores	9,727	20.7	447,968	10.3
Men's wear stores	1,309	2.8	49,364	1.1

* Includes traditional department stores, discount department stores and department store outlets of national chains, such as Sears, Penney, Ward. Leased departments are not included, but are counted in the census as separate specialty store operations.

** Each business location is separately counted as a store unit, including each unit in a multiunit organization.

Source: U.S. Bureau of the Census: 1982 Census of Retail Trade, Merchandise Line Sales.

RETAIL SALES BY TYPE OF OUTLET

Specialty Stores

According to the 1982 census, sales of women's suits, coats, and rainwear in women's wear stores with payroll amounted to $3.8 million. This figure represented 18.7% of total store sales. In family clothing stores, sales of suits, coats and rainwear amounted to $778 million, 5.8% of total store sales.

Women's Suit and Coat Sales in Specialty Stores, 1982
(In retail stores with payrolls)

	Stores		Suit, Coat, etc. Sales (thous. $)	% of Total Sales of Stores Selling the line	All Stores
	Number	%			
Women's ready-to-wear stores, total	44,163	100.0%	$20,248,922	--	100.0
Dress & tailored coats, jackets & rainwear	26,152	59.2	1,399,842	9.3%	6.9
Suits, pantsuits, sport jackets & blazers	30,397	68.8	2,381,294	15.4	11.8
Family clothing stores, total	17,859	100.0	13,451,003	--	100.0
Dress coats, jackets & rainwear	9,736	54.5	331,000	3.3	2.5
Suits, sport coats & blazers	9,727	54.5	447,968	5.4	3.3

(footnotes continued)

RETAIL SALES BY TYPE OF OUTLET

Specialty Stores

Note: Each store location is separately counted, regardless of whether or not it is part of a multi-unit operation.

For details on operations in these store types, as reported in the 1982 Census, see the Fairchild Fact File: A STATISTICAL ANALYSIS OF RETAILING (1985).

Source: U.S. Bureau of the Census:
1982 Census of Retail Trade (RC82-1-3).

The National Retail Merchants Association reported that sales of coats, suits and dresses registered a median increase of 6.4% in women's wear stores in 1985.

Merchandising & Operating Results of Women's Suits & Coats In Women's Specialty Stores With Total Sales Over $1 Million, 1985
(Median results)

	Total Female Apparel (20)*	Summary Coats, Dresses And Suits (17)*	Women's, Misses' & Juniors'	
			Coats (13)*	Suits (14)*
Net sales, % change from last year	+ 7.6%	+ 6.4%	+ 10.2%	+ 10.7%
Sales, % to total store sales	64.0	15.3	6.3	7.1
$ sales per sq. ft. of selling space (main or largest selling unit)	$223.7	$192.0	$193.3	$214.2
Cumulative markon, %	50.5	51.0	51.6	50.4
Gross margin, % of sales (incl. cash discounts)	42.5	41.0	43.1	37.5
Advertising, % of net sales	2.2	2.9	nr	nr
Selling salaries, % of net sales	9.1	8.9	nr	nr
Number of stock turns (times)	3.9	3.3	2.9	3.4

* Number in Parentheses refers to the number of companies reporting in each category.

Source: National Retail Merchants Association,
Merchandising & Operating Results of 1986.

Department Stores

As noted in a previous table, department stores held a share of about 38% of reported sales of women's, misses', juniors' coats, jackets and rainwear as well as 34% of reported sales of suits, sport jackets and related items in 1982, according to the census.

RETAIL SALES BY TYPE OF OUTLET

Department Stores

Tailored Wear Sales in Department Stores, 1982
(Women's, Misses', Juniors')

	Stores		Suit, Coat, etc. Sales (thous. $)	% of Total Sales of	
	Number	%		Stores Selling the line	All Stores
Department stores, total	9,981	100.0%	$99,170,163	--	100.0
Dress & tailored coats, outerjackets & rainwear	5,833	58.4	1,059,171	1.5%	1.1
Suits, pantsuits, sport jackets & blazers	5,492	55.0	1,481,081	2.2	1.5

Note: Leased departments are not included in the above. Catalog mail order desk sales are included.

Each store location is separately counted in the above table. Department stores include both traditional department stores and discount department stores which meet the definition of this store type under the Standard Industrial Classification (SIC) system. Department stores operated by mail order chains and mass merchandisers are also included in the above table.

Source: U.S. Bureau of the Census: 1982 Census of Retail Trade (RC82-1-3).

For details on department store operations, as reported in the 1982 census, see the Fairchild Fact File: A STATISTICAL ANALYSIS OF RETAILING (1985).

Merchandising & Operating Results of Women's Suit & Coat Departments In Department Stores With Total Sales Over $1 Million, 1985
(Median results)

	Total Female Apparel (88)*	Summary: Coats, Dresses And Suits (86)*	Women's, Misses' & Juniors'	
			Coats (75)*	Suits (21)*
Net sales, % change from last year	+ 6.9%	+ 5.0%	- 1.9%	+ 1.2%
Sales, % to total store sales	35.2	7.8	2.4	0.4
$ sales per sq. ft. of selling space (main or largest selling unit)	$153.1	$163.4	$174.2	$135.2
Cumulative markon, %	52.2%	51.4%	52.1%	53.2%
Gross margin, % of sales (incl. cash discounts)	43.9	41.3	42.0	43.6
Advertising, % of net sales	2.6	3.0	3.6	4.4
Selling salaries, % of net sales	6.0	6.2	6.1	6.1
Number of stock turns (times)	3.6	3.6	3.3	3.9

* Number in Parentheses refers to the number of companies reporting in each category.

Source: National Retail Merchants Association: Merchandising & Operating Results, 1986.

CONSUMER PRICE TRENDS

Prices at retail for apparel items have been on the rise, and sharper than average increases may be noted in months ahead for tailored wear, due to the sharply escalating price of wool and other materials.

Consumer Price Index for Specified Women's Apparel Categories
(Dec. 1977=100, unless otherwise indicated)

	March Average			Annual Average		
	1987	1986	% Change 1987/86	1986	1985	% Change 1986/85
All items (1967=100)	330.5	321.4	+ 2.8%	328.4	322.2	+ 1.9%
All apparel commodities (1967=100)	198.2	190.0	+ 4.3	192.0	191.6	+ 0.2
Women's apparel	118.3	113.1	+ 4.6	114.6	110.3	+ 3.9
Coats & jackets (1967=100)	176.2	159.7	+10.3	172.1	172.9	- 0.5
Suits	97.9	95.2	+ 2.8	106.4	99.5	+ 6.9

Source: U.S. Bureau of Labor Statistics.

RETAIL ADVERTISING

Retail advertising for women's & misses' coats & jackets is highest in November, reflecting pre-Christmas sales by most retailers, according to data compiled by the Advertising Checking Bureau. October was the second highest month for retail advertising while December ranked third.

Percent of Total Newspaper Ad Linage Done By Month, 1985

	Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Coats and jackets	100.0%	8.8%	5.5%	5.5%	4.8%	2.1%	1.7%	3.8%	8.3%	10.2%	16.6%	17.8%	14.9%

Source: The Advertising Checking Bureau, 1985.

CONSUMER BUYING HABITS

MRCA Information Services, Stamford, Ct., an independent research company has compiled information on patterns in purchases of women's suit and coat items. Market populations are developed based on purchase diaries maintained by members of a nationwide sample of 11,500 households. The Newspaper Advertising Bureau has published the following MRCA data. Findings show the seasonal pattern in purchases and distribution of purchases by price.

CONSUMER BUYING HABITS

Average Purchase Rate For Women's Suit & Coat Products
(Units Per 1,000 households)

	Suits, shirts and dresses	Coats/ Raincoats
Average Month	408.8	54.4
January	305.8	70.7
February	355.6	61.0
March	461.0	60.8
April	492.7	53.6
May	511.1	37.3
June	548.0	28.0
July	432.2	23.2
August	392.4	35.4
September	367.5	55.4
October	340.6	58.5
November	287.2	73.8
December	412.1	95.2

Source: MRCA Information Services: 1987 Newspaper Advertising Planbook (Newspaper Advertising Bureau).

Percent of Women's Coat, Suit & Related Product Purchases (Units) By Price, 1984

	Coats Exc. Fur	Blazers/ Jackets	Raincoat All-weather coats	Pantsuits	Skirt Suits
Under $25	11.2%	53.0%	43.3%	46.3%	20.2%
$25.00 - $34.99	10.7	17.5	9.4	24.2	16.0
$35.00 - $49.99	22.6	15.4	17.2	13.5	16.7
$50.00 - $74.99	23.1	9.1	13.9	10.1	18.0
$75.00 - $99.99	15.5	2.9	7.3	2.9	13.9
$100.00-$149.00	10.9	1.5	7.8	2.6	8.4
$150.00 & over	6.0	0.6	1.1	0.4	6.8

Estimates on the total retail market for specified types of tailored wear have been developed by the Soft Goods Information Service, MRCA Information Services, based on purchase diaries maintained by a nationally representative sample of 11,500 households. Purchases of women's coats (including rainwear) and jackets, in 1986 were projected to a national total of $2.7 billion, up 4.2% from 1985. Purchases of suits and blazers also increased in 1986, rising 5.3% to $2,915 million, based on the panel data. Unit purchases in recent years were reported as follows:

	Unit Purchases (millions of items)			Percent Change	
	1986	1985	1984	1986/85	1985/84
Women's, misses', juniors'					
Suits	19.5	19.2	24.1	- 1.8%	- 20.3%
Skirts	183.2	142.4	144.1	+ 28.7	- 1.2

CONSUMER BUYING HABITS

Preferences for suits took a sharp downturn after 1984, probably due to some market saturation and lack of marked change in styles which make suit wardrobes out of date. Women turned to separates to freshen up their on-the-job looks, and there was a sharp upturn in skirt business in 1986. A change in hem lengths, with fashion forecasting a sharp switch to shorter lengths will mean increased business in both suits and skirts if it catches on.

Teen Buying Habits

In May 1985, 1,243 teenage girls, members of Seventeen Magazine's 3,000 member Consumer Panel, which represents a cross-section of teens nationwide, answered the magazine's Spring Apparel Study. Members reported on items purchased during the spring of 1985 as well as place of purchase. This information was projected to the entire female teenage market to get an estimate of the total number of girls who purchased apparel, quantity purchased and the amount spent.

Purchases of Specified Suits & Coats by Teenage Girls, Spring 1985

	Number Purchasing Add 000	Number Purchased Add 000	Total Expenditures (thousands)
Coats			
Raincoats - Poplin	2,252	2,298	$131,193
- Slicker	2,115	2,159	57,688
Leather/Suede	1,539	1,616	176,516
Mid-calf	901	920	68,806
Three-quarter length	726	736	39,118
Fake fur coats	400	417	33,927
Real fur coats	312	315	51,385
Total buying coats	7,044	8,461	558,633
Suits			
Jacket & skirt	2,653	4,805	312,950
Pantsuits	1,176	1,284	51,578
Jacket with dress	1,164	1,842	117,980
Jackets			
Blazers	3,253	5,306	301,222
Real fur jackets	299	300	48,952
Fake fur jackets	125	129	6,610
Skirts			
Mini (above the knee)	8,108	24,483	784,925
Knee level	5,593	12,756	393,012
Below knee level	5,017	8,633	245,436

CONSUMER BUYING HABITS

Usual Place of Purchase of Suits & Coats, by Teenage Girls

	Percent of Girls
Department stores	70.8%
Specialty stores	24.0
Discount stores	4.6
Variety stores	2.4
Mail order	3.5
All other	2.1

Note: Totals add to more than 100.0% due to multiple mentions.

Source: Seventeen Magazine, Triangle Communications, Inc.; Spring Apparel Study, 1985.

FURS

Market Trends

The steady growth of the U.S. fur market which began in 1971 continued through the 1986/87 selling season, when retail sales reached an estimated total of $1.8 billion. Analysts expect retail sales to surpass $2 billion in 1987, only six years after the industry passed the $1 billion level.

The two segments of the fur good industry which have shown the best growth were coats under $5,000 (also referred to as bridge, affordable or mass market furs) and those over $20,000. Industry sources indicate that in the 1986/87 season nearly 85% of the retail fur business was at the $5,000 and below level. Two major factors have led to the increase in the low-end business. Many retailers are now using less expensive furs in the high fashion styles rather than "commercial" quality imports. Also over the last decade, many working women, who have more disposable income, are spending more on themselves for luxury goods. In addition, many women are buying a second or third fur jacket or coat to fill varied needs.

The "affordable" fur segment is primarily the province of imported furs, particularly from Hong Kong, Greece and Korea, representing about 85% of domestic sales of furs under $5,000.

While price hikes of 10%-35% are predicted for the 1987/88 selling season, due to fierce competition at the world's fur auctions, retail sales are expected to be brisk. Shorter length furs and a resurgence of interest in stoles and persian lamb are expected to push sales up by about 30% this season. Retailers see shorter lengths as the answer to price increases, since it takes fewer skins to make a short coat. Some retailers such as the Fur Vault, are revising their marketing plans in an attempt to have customers to trade up to even higher price points in light of higher prices expected in the coming season. They are also revising their marketing plan to try to take advantage of market opportunities among a growing number of women who are both more affluent and more knowledgeable about furs.

Despite the bright outlook for fur garments at the retail level, domestic manufacturers continue to struggle. Due primarily to cheapter labor costs overseas, the number of manufacturers by 1984 fell about 20% below 1980. The major casualty in this consolidation has been small manufacturers of lower priced, affordable furs.

The fur industry is highly price-promotional. Many in the industry believe that consumers have grown accustomed to high reduction in prices, thus waiting for promotions to buy. The practice is hard to terminate because of keen competition in the key consumer trading areas.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

Fur apparel is a defined standard industrial classification (SIC) covered in Census Bureau reports. This includes the complete census of manufactures (compiled ever five years), and the annual surveys of manufactures which provides key measures of manufacturing activity during intercensal periods. All manufacturers with payroll are represented.

Industry shipments, which include all products made by manufacturers classified in the fur garment industry plus miscellaneous receipts from contract work, were valued at $383.7 million in 1985 (latest available). This was slightly below the 1984 total and about 10% lower than in 1982, on a current dollar basis (which is not adjusted for inflation).

Fur Goods (SIC 2371*)

	1985	1984	1982	% Change 1985/84
Number of companies	na	na	503	na
Number of establishments, total**	na	466	504	na
Number with 20 or more employees	na	20	43	na
Employees, total (thous.)	2.5	2.5	3.4	--
Production workers (thous.)	1.7	1.7	2.5	--
Payroll (mil. $)	$ 46.4	$ 50.5	$ 59.6	- 8.1%
Value added by manufacture # (mil. $)	108.0	125.6	131.6	- 14.0
Value of industry shipments ## (mil. $)	383.7	398.1	419.3	- 3.6
Capital expenditures, new (mil. $)	0.5	1.0	0.3	- 50.0

* SIC 2715 includes establishments primarily engaged in manufacturing fur coats and other garments, accessories, and trimmings made of fur. The industry includes producers of fur caps, coat linings, glove linings and other fur apparel, such as capes, coats, hats, jackets and neckpieces. Establishments primarily engaged in manufacturing sheep-lined clothing are classified in Industry 2386, and those engaged in dyeing and dressing of furs in Industry 3999.

# Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished goods inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

** Covers manufacturing establishments (plants) only, and each location is separately counted. Not included are separate auxiliary locations serving the plants (i.e. administrative offices purchasing offices, sales promotion offices, etc.). Information on establishments in 1984 is from the Census Bureau's County Business Patterns.

## Value of industry shipments includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary products and secondary products made by manufacturers in these industries. The value of shipments of fur goods only by all producers, (product shipments), including manufacturers making them as secondary products, is covered on page 34.

na not available

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
1985, 1984 Annual Survey of Manufactures.

GENERAL INDUSTRY STATISTICS

Concentration in the Fur Industry

The influx of foreign furs into the U.S. from sources with low labor costs has led to a reduction in many small fur operations and thus an increase in the share controlled by the larger manufacturers. According to the Census Bureau, the percent of fur goods shipments accounted for by the four largest manufacturers increased from 7% in 1972 to 12% in 1982. The share for the 50 largest manufacturers increased from 39% to 55% during this same period. While data for more recent years is not available through the bureau, industry analysts believe that this trend towards increased concentration among the larger producers has continued.

Of the 503 companies classified in the U.S. fur industry in 1982, 496 operated only one plant and these companies accounted for about 93% of total industry shipments. Only 182 companies had fur apparel shipments valued at $100,000 or more in 1982. Most companies have under 20 employees, according to the Census Bureau. These represented about 91% of the companies in 1982, and they accounted for 60% of the industry value added by manufacture, 57% of the value of shipments. In 1984, according to the Census Bureau, 446 out of the 466 fur manufacturing plants in the U.S., or close to 96%, had fewer than 20 employees.

Industry Location

Fur production in the U.S. is centered in New York. In 1982, 87% of the plants were in New York State, and these plants accounted for 91% of the total value added by manufacture within the industry.

VALUE OF PRODUCT SHIPMENTS

The total value of shipments of fur apparel (including fur linings and trimmings as well as coats, jackets etc.) made by all U.S. manufacturers with payrolls were reported at $377.4 million in 1985, slightly below the 1982 figure, and well below 1983. Clearly imports dominate the U.S. fur market. Not included in this figure would be made-to-order fur garments made by furriers who are primarily retailers, or who do not have any employees.

Value of Shipments of Fur Goods; 1982-1985
(Millions of Dollars)

	1985	1984	1983	1982	Percent Change 1985/84	Percent Change 1985/82
Fur goods, total	$377.4	$380.5	$425.3	$397.8	- 0.8%	- 5.2%

Note: In contrast with industry shipments previously reported and described, the above product shipments covers shipments of fur coats, capes, linings, accessories, etc., made by all U.S. manufacturers, regardless of their industry classification based on primary product. It does not include miscellaneous receipts which are included in industry shipments.

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
1985, 1984 Annual Surveys of Manufactures.

FOREIGN TRADE

Imports have become one of the prime factors in the U.S. fur industry. According to industry sources, import penetration into the U.S. has grown from about 15% of retail sales in 1979 to over 50% in 1986, and are continuing to gain ground. Imported furs tend to be concentrated in the low-end price range and have been a major factor in the growth of this area as well as contributing to the stability of prices in this range.

However, for the coming season, higher prices are expected for imported furs. In the past, the U.S. market has been the prime outlet for foreign fur producers. In recent years, surging international demand for furs from the Far East has been taxing factory output. Foreign fur purchases are paying premiums to Far East manufacturers in order to get fur shipments which in the past would have come to the U.S. In addition, the U.S. dollar's value has diminished in relation to the currencies of some foreign suppliers, making imports more expensive.

Overall, imported furs increased 0.5% in 1986, reaching a total value of $451 million (cost, insurance, freight) that year, according to the Census Bureau.

The Korean Republic, which replaced Hong Kong as the top supplier of imported furs in 1981, has continued to maintain this position through 1986 despite a 10% decrease in imports from that country in 1986.

Canada, the second leading supplier of furs to the U.S. registered an increase of 11% in imports while the number three supplier, Hong Kong, recorded an increase of 4%. Overall, the top five suppliers of furs to the U.S. account for about 80% of all fur garment imports.

Exports of furs, which have been declining for several years, rebounded in 1986. According to the U.S. Department of Commerce, fur exports were up more than 10% in 1986, however, they still represent only a small portion of U.S. production. With the devalued dollars, however, exports may pick up.

The Value of Imports of Fur Clothing & Articles
By Leading Country of Origin, 1983-1986
(CIF value in thousands of dollars)

	1986	1985	1984	1983	% Change 1986/85
Total value	$450,584	$448,472	$346,594	$210,596	+ 0.5%
Korean Republic	123,712	137,535	114,925	83,183	- 10.1
Canada	106,414	95,810	74,577	37,438	+ 11.1
Hong Kong	90,182	86,685	69,688	38,412	+ 4.0
Greece	38,040	38,014	22,182	6,372	+ 0.1
West Germany	14,736	19,780	11,542	6,957	- 25.5
Leading country total	358,348	377,824	292,914	172,371	- 5.2
% of total imports	79.5%	84.2%	84.5%	81.8%	--

The CIF value refers to the value of imports at the first port of entry in the U.S. It is based on the purchase price and includes all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Bureau of the Census:
U.S. General Imports, FT 135.

RETAIL SALES

The explosion of consumer demand for furs has led to an influx of retailers. Large retailers, such as Sears, Roebuck, Loehmans and Burlington Coat Factory, have entered the market with low priced furs, while toney fur retailers such as Revillon, Marshall Fields, Bullock's and Sanger Harris, have begun to offer their own versions of affordable furs. These utilize less expensive fur species in high fashion styles, rather than "commercial" quality imports in order to meet their younger, less affluent customer's financial circumstances.

The American Fur Industry Association estimates that total retail sales of furs in 1985 was $1.7 billion, of which men's accounted for about $2.5 million. Sales for 1986 are estimated to have surpassed $1.8 billion, while industry estimates for 1987 are for the industry to exceed $2 billion. The large jump in sales in 1987 is expected largely on the basis of higher prices due to stronger demand for furs from foreign countries.

There are only two publicly held fur retailers in the U.S.: Evans, Inc., and the The Fur Vault Inc., with sales of $134.4 million and $61 million, respectively. Combined, these two firms account for 12% of all fur sales.

The main impetus in the growth of the fur industry has been the increase in the number of single, career/professional women. Industry analysts report that the average age of the first-time fur buyer in 1985 was 26 compared with 50 in 1965. Women are no longer waiting to get married and have a male purchase them a fur. Most now purchase their own. While the average price of furs continues to decline, the average disposable income of working women has gained. Combined with the fact that only 2% of women currently own furs, the outlook for continued growth is great. Men's furs are also registering strong growth. They have caught on, and are expected to continue to gain new customers.

The latest official figures on fur sales by type of retail outlet are from the 1982 census of retail trade compiled by the U.S. Census Bureau. Furriers controlled the lions share of retail sales, accounted for 68.6% of retail sales in that year. Department stores ranked second, with 17.1%.

Reported Sales of Furs and Fur Garments By Major Outlet, 1982
(In Retail Establishments with Payroll)

	Establishments**		Sales By Outlet Type	
	Number	Percent	Thous. $	Percent
Women's & girls' furs & fur garments, reported total	6,300	100.0%	$896,147	100.0%
Department stores*	1,999	31.7	153,283	17.1
Women's ready-to-wear stores	2,629	41.7	112,116	12.5
Family Clothing stores	592	9.4	15,824	1.8
Women's accessory and specialty stores and furriers	1,080	17.1	614,924	68.6

* Includes traditional department stores, discount department stores and department store outlets of national chains, such as Sears, Penney, Ward. Leased departments are not included, but are counted in the census as separate specialty store operations.

** Each business location is separately counted as a store unit, including each unit in a multiunit organization.

Source: U.S. Bureau of The Census: 1982 Census of Retail Trade, Merchandise Line Sales.

RETAIL SALES

It should be noted that due to a change in the treatment of leased departments, comparable figures for 1977 are not available. This change affects the counts of stores for some categories much more than others. Furriers are one of the most severely affected. In 1982, the Census Bureau counted leased departments as separate retail establishments in their specific type of business. In earlier years, data on leased departments was combined with data on the lessor stores. In a supplemental report for 1982 (Miscellaneous Subjects RC81-1-4) the Census Bureau reported 316 leased fur departments operated in department stores were reclassified in the 1982 census of furriers. These departments had a combined total sales of $87.2 million.

Department Stores

Fur departments in department stores with a total volume of $1 million or more registered a median gain of 10.6% in 1985 over 1984, according to the National Retail Merchants Association. Sales per square foot averaged $300 and the fur department accounted for 0.6% of the total stores sales.

Merchandising & Operating Results in Fur Departments
In Department Stores with Sales Over $1 Million, 1985
(Median results)

Net sales, % change from 1980	+ 10.6%
Sales, % of total store sales	0.6
$ sales per sq. ft. of selling space (main or largest selling unit)	$300.0
Cumulative markon, %	42.2%
Gross margin, % of net sales (incl. cash discounts)	36.6
Advertising, % of net sales	5.0
Selling salaries, % of net sales	6.1
Number of stock turns (times)	2.4

* Number in Parenthesis refers to the number of companies reporting in each category.

Source: National Retail Merchants Association, 1985 Merchandising & Operating Results.

RETAIL ADVERTISING

Retail advertising for fur garments is, of course, concentrated in the colder winter months. December and January were the two highest months for advertising acconting for 16.0% and 14.4% of the total respectively. Promotions generally begin in October.

Percent of Newspaper Ad Linage By Month, 1985

	Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Furs and fur garment	100.0%	14.4%	11.0%	5.5%	4.1%	3.0%	1.8%	4.6%	9.7%	8.7%	10.3%	10.9%	16.0%

(For information on consumer buying habits in regard to furs, see page 29.

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS: Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS: An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are included as well as an analysis of developments that are shaping the U.S. consumer market -- living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1987 Edition): Updates information in the 1986 Edition on department and apparel specialty store sales (not including discount operation) for stores (buying headquarter locations) listed by state within the four major geographical regions of the U.S. Information on the number of stores in operation is included, as well as on plans to open stores, if available. Available data on sales of branch stores is included. Additional features include: An alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest available sales figures; a listing and sales figures for traditional department stores which have sales volumes published, or estimated, of $50 million or more in 1986; a list of conglomerates operating traditional department and apparel stores, including the names and locations of these stores.

DRESSES & CAREER APPAREL (WOMEN'S, MISSES' AND JUNIORS'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, career apparel, pants dresses, ensembles, etc. Includes number and size of manufacturers, production and value of shipments, industry location and trends in employment levels. Analyzed is the growing impact of imports on total growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc. to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS') (1987 Edition): Updates the 1986 edition with figures on U.S. manufacturers production and shipments by type of footwear. Also detailed statistics on imports and their impact on total U.S. market supply. Analyses industry trends and performance of major resources and retailers. Spotlights developments in the athletic footwear industry and consumer market. At the retail level, information is included on sales trends and merchandising results for shoe stores and for footwear departments in department stores; as well as consumer purchase patterns.

HOME TEXTILES & RELATED PRODUCTS: Includes the latest statistics on the U.S. industry, including manufacturers wide variety of products -- bed linens, towels, blankets, comforters, slip covers, pillows, curtains/draperies and hardware, shades, and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

HOSIERY/LEGWEAR/BODYWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

HOUSEHOLD APPLIANCES, ELECTRIC HOUSEWARES, HOME ENTERTAINMENT PRODUCTS: Covers a broad range of products included in these three classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

HOUSEHOLD FURNITURE AND BEDDING: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores. The potential market for work/career apparel is defined in data on trends in employment of men by occupation.

MEN'S SPORTSWEAR, CASUALWEAR, OUTERWEAR: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market. Departmental merchandising and operating results in department stores and in men's wear stores are covered.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade recently issued by the U.S. Census Bureau.

THE SPORTS/FITNESS/LEISURE MARKETS (A Fact File Special Edition): Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specific products; concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics on sports participation levels and purchases of specific sports equipment. Also buying habits in relation to activewear and sports equipment.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits.

A STATISTICAL ANALYSIS OF RETAILING (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Percentage distributions have been calculated for firms and outlet types, including single and multi-unit operations, sales concentration and geographical distribution, with comparisons with 1977 census findings where possible.

TABLETOP & GIFTWARES: Statistics included for these industries include those on both the manufacturing and retailing levels. There's coverage of production and shipments; foreign trade; retail sales; plus data on the consumer market including buying habits and expenditures.

THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures, foreign trade. Consumer expenditures by product are detailed, as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specific products.

WOMEN'S COATS, SUITS, RAINWEAR, AND FURS: Data from the domestic industry includes the number of manufacturers, industry concentration levels, trends in employment and earnings, production and value of shipments, including exports. Import trends and impact on U.S. market supply are analyzed. At the retail level, information includes consumer price trends, the size of the potential market and outlook for growth in terms of population by age group and employment trends among women. Also covers sales estimates and operating results in department and specialty store.

WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market are summarized.

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HOUSEHOLD APPLIANCES AND ELECTRIC HOUSEWARES

Market Trends

A major force shaping the appliance industry in 1987 and, no doubt for years to come, has been the impact of three big mergers of 1986 -- Kitchen Aid/Whirlpool, White/Electrolux and Maytag/Magic Chef. These manufacturers now have the capability of offering complete lines of major household appliances and to push more aggressively into areas occupied by niche players. These firms hope to reduce costs through larger volume production and to sell similar products under different brand names.

The high-end segment of the appliance industry is becoming increasingly competitive, as consumers with greater discretionary income step up to more expensive merchandise with better features; often as replacement purchases. One industry executive predicts that the high-end, which presently accounts for 12% of the business, will grow to 20% within a decade. Electronic touch controls are finding their way onto more products, particularly ranges and laundry products.

With the proliferation of similar products under various labels comes the need for marketers to sell appliances by emphasizing features beyond just price, performance and styling. General Electric and Whirlpool have attempted to do this by beefing up their warranties in the hope of swaying a shopper's brand choice. Playing on the well-known distaste of consumers for appliance repairmen, G.E. has promised to replace appliances if buyers aren't satisfied or to refund their money within 90 days of delivery. Whirlpool countered by promising to replace appliances up to a full year after purchase. Other companies are seriously considering joining the "warranty war" as well.

Although the microwave market remains the best-selling appliance category (in units) by far, it has begun to level off; this after years of explosive growth during the first half of the 1980's. High saturation levels and cutthroat price competition has taken virtually all profitability out of compact microwaves; as list prices have fallen as low as $99. While first-time buyers are still going after compact and mid-size units, a replacement market in microwaves is developing as consumers step-up to high-end models with features like turntables and under-the-cabinet mounting.

Another market segment that is evolving are home laundry products. Traditional full-size, side by side washers and dryers still represent by far the largest part of the market, about 90% of which is replacement. However, such demographic changes as shrinking household size, accompanied by the growing popularity of condominiums, has led to the marketing of full-size stackable equipment. The equipment is designed to save space without a reduction in capacity. Some manufacturers are increasing production of compacts, targeting the apartment or multifamily homeowner who has no other choice due to space limitations.

Advances in electronic technology have enabled retailers to demand higher price points for some electric housewares categories, including irons and coffeemakers. Automatic shut-off is still driving the iron business, presently accounting for about one third of sales and spurring the replacement market. Retailers are striving to improve their bottom line by emphasizing higher ticket merchandise, such as food processors. Vacuum cleaners, backed by heavily financed promotions by both Eureka and Hoover, are a bright spot for mass merchants and department stores.

Market Trends (continued)

An area with huge growth potential is travel appliances, with manufacturers making major moves into the market in 1987. For example, Rival, a major supplier of kitchen appliances, has begun marketing travel irons and coffeemakers. Increasing travel by consumers, combined with less-than-booming housewares sales, has promoted companies such as Remington and Norelco to develop merchandise lines in this segment.

GENERAL INDUSTRY STATISTICS: HOUSEHOLD APPLIANCES & ELECTRIC HOUSEWARES

A complete census of all manufacturers with payrolls in the U.S. is compiled every five years by the U.S. Bureau of the Census. During the interim years, the Census Bureau conducts annual surveys among a sample of manufacturers to provide estimates on key measurements of manufacturing activity. The results of the latest complete census, covering 1982, and the 1984 and 1985 annual surveys are reported below.

The 1982 Enterprise Statistics report issued by the Census Bureau showed a total of 424 companies classified in the U.S. appliance industry. Overall results for the major appliance/electric housewares industry show a slight decline in the value of industry shipments in 1985 compared with 1984. However, on a current dollar basis, 1985 shipments were 28.4% above the 1982 level.

Overall Results For the Appliance/Electric Housewares Industry

	1985	1984	1982	% Change 1985/84
Household Appliances & Electric Housewares (SIC 363)				
Number of companies	na	na	528	--
Number of establishments, total**	na	590	630	--
Number with 20 or more employees	na	320	335	--
Employees, total (thous.)	124.4	132.6	129.4	- 6.2%
Production workers (thous.)	97.2	105.5	98.0	- 7.9
Payroll (mil. $)	$2,579.2	$2,629.9	$2,223.1	- 1.9
Value added by manufacture# (mil. $)	7,338.3	7,539.4	5,775.9	- 2.7
Value of industry shipments## (mil. $)	16,230.4	16,248.7	12,643.5	- 0.1
Capital expenditures, new (mil. $)	410.9	379.3	304.8	+ 8.3
Machinery & equipment, new	333.2	299.9	na	+11.1

na not available

GENERAL INDUSTRY STATISTICS: HOUSEHOLD APPLIANCES

The value of shipments of most major appliances are on the rise. An important factor in the overall health of the industry is the high level of new home construction, stimulated by a drop in mortgage interest rates and a population peak in age groups establishing new homes. Sales of existing homes and the rapid growth of condominiums often involve the replacement of appliances and have been a significant factor in industry growth.

GENERAL INDUSTRY STATISTICS: HOUSEHOLD APPLIANCES

Overall Results For the Appliance Industry

	1985	1984	1982	% Change 1985/84
Household Cooking Equipment (SIC 3631*)				
Number of companies	na	na	71	--
Number of establishments, total**	na	86	88	--
Number with 20 or more employees	na	59	59	--
Employees, total (thous.)	24.2	27.7	23.7	-12.6%
Production workers (thous.)	18.5	21.5	17.0	-14.0
Payroll (mil. $)	$ 492.4	$ 544.8	$ 402.1	- 9.6
Value added by manufacture# (mil. $)	236.5	1,528.8	941.4	-19.1
Value of industry shipments## (mil. $)	3,297.3	3,578.5	2,414.9	- 7.9
Capital expenditures, new (mil. $)	76.6	86.3	51.5	-11.2
Machinery & equipment, new	58.2	63.8	41.9	- 8.8
Household Refrigerators, Freezers (3632*)				
Number of companies	na	na	39	--
Number of establishments, total**	na	53	50	--
Number with 20 or more employees	na	27	30	--
Employees, total (thous.)	22.3	24.0	22.4	- 7.1%
Production workers (thous.)	18.4	20.4	18.4	- 9.8
Payroll (mil. $)	$ 514.5	$ 526.5	$ 441.2	- 2.3
Value added by manufacture# (mil. $)	1,352.2	1,152.5	1,032.3	+17.3
Value of industry shipments## (mil. $)	3,340.5	3,088.0	2,470.7	+ 8.2
Capital expenditures, new (mil. $)	64.3	56.3	79.1	+14.2
Machinery & equipment, new	51.5	44.2	64.8	+16.5
Household Laundry Equipment (SIC 3633*)				
Number of companies	na	na	15	--
Number of establishments, total**	na	23	25	--
Number with 20 or more employees	na	20	20	--
Employees, total (thous.)	17.2	16.7	16.5	+ 3.0%
Production workers (thous.)	14.4	14.1	13.4	+ 2.1
Payroll (mil. $)	$ 415.5	$ 401.2	$ 335.4	+ 3.6
Value added by manufacture# (mil. $)	1,375.5	1,292.5	984.1	+ 6.4
Value of industry shipments## (mil. $)	2,838.4	2,715.6	2,123.2	+ 4.5
Capital expenditures, new (mil. $)	81.4	69.9	35.1	+16.5
Machinery & equipment, new	64.2	54.8	31.9	+17.1
Household Vacuum Cleaners (SIC 3635*)				
Number of companies	na	na	29	--
Number of establishments, total**	na	30	31	--
Number with 20 or more employees	na	19	18	--
Employees, total (thous.)	11.2	11.9	8.4	- 5.9%
Production workers (thous.)	7.5	8.2	5.2	- 8.5
Payroll (mil. $)	$ 236.4	$ 237.5	$ 151.1	- 0.5
Value added by manufacture# (mil. $)	691.9	746.5	463.6	- 7.3
Value of industry shipments## (mil. $)	1,301.9	1,307.3	775.7	- 0.4
Capital expenditures, new (mil. $)	35.3	43.4	17.1	-18.7
Machinery & equipment, new	31.2	32.5	15.6	- 4.0

(continued)

GENERAL INDUSTRY STATISTICS: HOUSEHOLD APPLIANCES

	1985	1984	1982	% Change 1985/84
Sewing Machines (SIC 3636*)				
Number of companies	na	na	86	--
Number of establishments, total**	na	86	91	--
Number with 20 or more employees	na	21	25	--
Employees, total (thous.)	2.8	2.9	5.5	- 3.4%
Production workers (thous.)	1.8	2.0	3.4	-10.0
Payroll (mil. $)	$ 59.0	$ 59.0	$ 101.9	--
Value added by manufacture# (mil. $)	116.8	123.9	168.8	- 5.7
Value of industry shipments## (mil. $)	177.5	169.9	299.7	+ 4.5
Capital expenditures, new (mil. $)	12.9	10.0	8.6	+29.0
Machinery & equipment, new	12.2	7.8	59	+56.4
Household Appliances, n.e.c. (SIC 3639*)				
Number of companies	na	na	70	--
Number of establishments, total**	na	78	83	--
Number with 20 or more employees	na	49	49	--
Employees, total (thous.)	16.0	16.2	14.2	- 1.2%
Production workers (thous.)	13.2	13.6	11.4	- 2.9
Payroll (mil. $)	$ 337.1	$ 338.3	$ 252.4	- 0.4
Value added by manufacture# (mil. $)	1,018.9	1,025.5	673.8	- 0.6
Value of industry shipments## (mil. $)	2,175.3	2,150.7	1,432.0	+ 1.1
Capital expenditures, new (mil. $)	71.9	48.5	40.6	+48.2
Machinery & equipment, new	58.2	39.4	35.8	+47.7

na not available
n.e.c. not elsewhere classified.

* SIC (Standard Industrial Classification) definitions which determine the classification by industry of each plant (establishment):

363	The composite identifier for the appliance/electric housewares industry. Included in this category is the electric housewares industry (SIC 3634), which is separately covered in this Fact File.
3631	Establishments primarily engaged in manufacturing household cooking equipment, such as stoves, ranges and ovens, including both electric and non-electric types. Also included in this category are barbecue grills and microwave ovens.
3632	Establishments primarily engaged in producing household refrigerators and home and farm freezers.
3633	Establishments primarily engaged in manufacturing laundry equipment such as washing machines, wringers, dryers, and irons for household use. This industry also includes producers of coin-operated washers and driers.
3635	Establishments primarily engaged in producing vacuum cleaners for household use.
3636	Establishments primarily engaged in manufacturing sewing machines for domestic and industrial use.
3639	Establishments primarily engaged in manufacturing household appliances, not elsewhere classified, such as water heaters, dishwashers and food waste disposal units. This industry also includes producers of floor waxers and polishers.

(footnotes continued)

GENERAL INDUSTRY STATISTICS: HOUSEHOLD APPLIANCES

** Covers manufacturing establishments (plants) only, and each location is separately counted. Not included are separate auxiliary locations serving the plants (i.e. administrative offices, purchasing, sales offices, etc.). The establishment count for 1984 is from the Census Bureau's County Business Patterns.

Value added by manufacture is derived by subtracting the total cost of materials (including supplies, fuel, electric energy, cost of resales and miscellaneous receipts) from the value of shipments (including resales) and other receipts, and adjusting the resulting amount by the net change in finished products and work-in-process inventories between the beginning and the end of the year.

Value of industry shipments represents the net selling values, f.o.b. plant, after discounts and allowances, and excluding freight charges and excise taxes. It includes receipts for contract work, all items made by, or for, each establishment from materials owned by it, and also miscellaneous receipts. It also includes both primary and secondary products made in these industries. Shipments of appliances, only, by all producers, including manufacturers making them as secondary products, are covered in the section on SHIPMENTS.

Source: U.S. Bureau of the Census:
1985, 1984 Annual Survey of Manufactures,
1982 Census of Manufactures.

Industry Shipments

The International Trade Administration (U.S. Department of Commerce) compiles annual projections covering the household appliance industry on a constant dollar basis (1982 dollars). Figures below show anticipated real growth in most industry classifications when the effects of inflation are eliminated.

Household Appliance Industry Shipments - Recent Performance and Forecast
(Value in millions of 1982 dollars)

	1987(f)	1986(e)	1985(e)	1984	% Change 1987/86	% Change 1986/85	Compound Annual Growth Rate 1984/79
Household Appliances (SIC 363)	$15,422	$15,170	$14,992	$15,304	+ 1.7%	+ 1.2%	- 0.5%
Household Cooking Equipment (SIC 3631)	2,925	2,910	2,930	3,256	+ 0.5	- 0.7	+ 2.8
Household Refrigerators (SIC 3632)	3,135	3,027	2,908	2,905	+ 3.6	+ 4.1	- 3.2
Household Laundry Equipment (SIC 3633)	2,930	2,833	2,750	2,617	+ 3.4	+ 3.0	- 1.1
Household Vacuum Cleaners (SIC 3635)	1,505	1,448	1,350	1,268	+ 3.9	+ 7.3	+ 6.5
Sewing Machines (SIC 3636)	142	147	155	164	- 3.4	- 5.2	-20.2
Household Appliances, n.e.c. (SIC 3639)	2,110	2,050	1,994	2,013	+ 2.9	+ 2.8	+ 2.6

n.e.c. not elsewhere classified
(f) forecast (e) estimate

Source: U.S. Department of Commerce:
International Trade Administration, 1987 U.S. Industrial Outlook.

GENERAL INDUSTRY STATISTICS: HOUSEHOLD APPLIANCES

Employment & Earnings

Total employment in the household appliances industry dipped 0.2% in 1986 from 1985. However, employment in the production of refrigerators rose for the year, reflecting the fact that each classification within the industry has trends that impact differently upon it.

Employment & Earnings in the Major Appliance Industry, 1984-1986

	Annual Averages			% Change
	1986	1985	1984	1986/85
Household Appliances (SIC 363) (includes Electric Housewares)				
All employees (thous.)	135.2	135.5	147.4	- 0.2%
Production workers (thous.)	105.6	106.0	116.6	- 0.4
Avg. weekly earnings	$388.95	$367.35	$359.70	+ 5.9
Avg. hourly earnings	$ 9.58	$ 9.23	$ 8.97	+ 3.8
Avg. weekly hours	40.6	39.8	40.1	+ 2.0
Household refrigerators & freezers (SIC 3632)				
All employees (thous.)	27.3	25.2	30.0	+ 8.3
Production workers (thous.)	21.6	19.5	24.1	+ 10.8
Avg. weekly earnings	$442.09	$416.16	$416.56	+ 6.2
Avg. hourly earnings	$ 10.97	$ 10.43	$ 10.26	+ 5.2
Avg. weekly hours	40.3	39.9	40.6	+ 1.0
Household laundry equipment (SIC 3633)				
All employees (thous.)	22.6	21.4	20.9	+ 1.0
Production workers (thous.)	17.7	16.7	16.2	+ 6.0
Avg. weekly earnings	$468.65	$432.23	$426.12	+ 8.4
Avg. hourly earnings	$ 11.32	$ 10.86	$ 10.60	+ 4.2
Avg. weekly hours	41.4	39.8	40.2	+ 4.0

Note: BLS data on employment totals differs from Census Bureau data due to a difference in methodology in computing the figures. Separate employment and earnings statistics for the electric housewares industry only is covered in the Electric Housewares section of this Fact File.

Source: U.S. Bureau of Labor Statistics, Employment & Earnings.

Industry Concentration

The major appliance industry's trend toward increased consolidation was emphasized by three major transactions in 1986. The first was Whirlpool's acquisition of Kitchen Aid, a producer of dishwashers and compactors. Whirlpool subsequently sold Kitchen Aid's dishwasher manufacturing facilities to Emerson. Emerson will supply Whirlpool with products to be sold under the Kitchen Aid label.

GENERAL INDUSTRY STATISTICS: HOUSEHOLD APPLIANCES

Industry Concentration (continued)

In another acquisition, Maytag agreed to acquire Magic Chef, giving the former a source of refrigerators that it has long sought. Another important consolidation within the industry was the purchase of White Consolidated Industries by AB Electrolux of Sweden. Electrolux already had a significant presence within the U.S. market with its Tappen and Eureka subsidiaries.

The pressure on manufacturers to reduce production cost through economies of scale has been a major impetus toward consolidation. In addition, the major manufacturers, such as those mentioned above, want the capability to offer a complete line of appliances to homebuilders.

Share of Value of Industry Shipments Accounted For By The Largest Companies, 1982

			Value of Industry Shipments Percent accounted for by largest companies:			
Industry	No of Companies	Total (Mil. $)	4 largest	8 largest	20 largest	50 largest
Household Cooking Equipment (SIC 3631)	71	$2,414.9	52%	73%	93%	99%
Household Refrigerators (SIC 3632)	39	2,470.7	94	98	99	100
Household Laundry Equipment (SIC 3633)	15	2,122.2	91	na	100	--
Household Vacuum Cleaners (SIC 3635)	29	775.7	80	96	99+	100
Sewing Machines (SIC 3636)	86	299.7	72	82	93	99
Household Appliances, n.e.c. (SIC 3639)	70	1,432.0	51	82	96	99+

na not available
n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
Concentration Ratios in Manufacturing.

Concentration By Employment Size, 1982

	Establishments		Value Added By Manufacture		Industry Shipments	
	Number	%	(Mil. $)	%	(Mil. $)	%
Household cooking equipment (SIC 3631), total	88	100.0%	$941.4	100.0%	$2,414.9	100.0%
By establishment (plant) size:						
Under 20 employees	29	33.0	10.6	1.1	22.4	0.9
20-99 employees	16	18.2	20.7	2.2	45.1	1.9
100-499 employees	26	29.5	254.6	27.0	733.6	30.4
500 or more employees	17	19.3	655.3	69.6	1,613.8	66.8

(continued)

GENERAL INDUSTRY STATISTICS: HOUSEHOLD APPLIANCES

Industry Concentration

Concentration By Employment Size, 1982

	Establishments		Value Added By Manufacture		Industry Shipments	
	Number	%	(Mil. $)	%	(Mil. $)	%
Household refrigerators, freezers (SIC 3632), total	50	100.0%	$1,032.3	100.0%	$2,470.7	100.0%
By establishment (plant) size:						
Under 20 employees	20	40.0	2.0	0.2	4.8	0.2
20-99 employees	11	22.0	16.4	1.6	35.1	1.4
100-499 employees	8	16.0	73.4	7.1	166.8	6.8
500 or more employees	11	22.0	940.6	91.1	2,264.0	91.6
Household laundry equipment (SIC 3633), total	25	100.0	$ 984.1	100.0	$2,122.2	100.0
By establishment (plant) size:						
Under 20 employees	5	20.0	2.4	0.2	4.9	0.2
20-99 employees	8	32.0	9.3	0.9	30.2	1.4
100 or more employees	12	48.0	972.4	98.8	2,087.1	98.3
Household vacuum cleaners (SIC 3635), total	31	100.0	$ 463.6	100.0	$ 775.7	100.0
By establishment (plant) size:						
Under 20 employees	13	41.9	1.4	0.3	2.8	0.4
20-99 employees	9	29.0	16.8	3.6	40.3	5.2
100-499 employees	6	19.4	94.1	20.3	195.7	25.2
500 or more employees	3	9.7	351.3	75.8	536.9	69.2
Sewing machines (SIC 3636), total	91	100.0	$ 168.8	100.0	$ 299.7	100.0
By establishment (plant) size:						
Under 20 employees	66	72.5	11.0	6.5	23.3	7.8
20-99 employees	16	17.6	21.8	12.9	41.9	14.0
100 or more employees	9	9.9	135.9	80.5	234.6	78.2
Household appliances, n.e.c. (SIC 3639), total	83	100.0	$ 673.8	100.0	$1,432.0	100.0
By establishment (plant) size:						
Under 20 employees	34	41.0	8.8	1.3	17.4	1.2
20-99 employees	23	27.7	61.8	9.2	121.4	8.5
100-499 employees	16	19.3	137.5	20.4	332.7	23.2
500 or more employees	10	12.0	465.6	69.1	960.4	67.1

n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census,
1982 Census of Manufacturers.

GENERAL INDUSTRY STATISTICS: HOUSEHOLD APPLIANCES

Capital Spending

The Census Bureau has reported that U.S. household appliance companies spent $77.7 million on new plants and additions in 1985, a decline of 2.1% from the level of expenditures in 1984. On the other hand, spending on new machinery & equipment rose 11.1% in 1985 to cover $333 million. Though expenditures for machinery by manufacturers of household laundry equipment were highest, the largest increase was in spending by sewing machine producers, a gain of 56.4%.

New Plant & Equipment Expenditures: 1984, 1985
(Millions of dollars)

	Buildings & Structures		Machinery & Equipment	
Major Appliance Industry	1985	1984	1985	1984
Household cooking equipment	$18.4	$22.5	$58.2	$63.8
Household refrigerators and freezers	12.8	12.1	51.5	44.2
Household laundry equipment	17.2	15.1	64.2	54.8
Electric housewares and fans	10.8	7.4	57.7	57.5
Household vacuum cleaners	4.1	10.9	31.2	32.5
Sewing machines	0.7	2.3	12.2	7.8
Household appliances, n.e.c.	13.7	9.1	58.2	39.4
Household appliances, total	$77.7	$79.4	$333.2	$299.9

n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census, 1985 Annual Survey of Manufactures.

In 1987, the Census Bureau published a report, 1982 Enterprise Statistics, which provides new information on capital spending by large companies (500 or more employees). It covers data on a company basis (in contrast with 1982 Census of Manufactures and Retail Trade reports which are on a plant or store basis). The following information is for 426 household appliance companies with total sales of $9,897.7 million.

Capital Expenditures By U.S. Household Appliance Companies With 500 Employees Or More: 1982

	Capital Expenditures (Millions of $)			
	Total	Computers & Peripheral Equipment	Other Machinery	Autos & Trucks
Household appliance companies with 500 or more employees	$217.0	$ 7.8	$201.6	$ 7.6
% To Sales	2.2	0.1	2.0	0.1

Source: U.S. Bureau of the Census, 1982 Enterprise Statistics.

Advertising Expenditures

The Census Bureau's 1982 Enterprise Statistics report includes findings in a survey of large companies (500 or more employees) who purchase advertising services, including space, time, production costs, etc. Of the 26 household appliance companies with 500 or more employees in this classification, 20 participated in this survey.

Advertising Expenditures (continued)

Of the 20 companies, 19 reported that they had advertising expenditures, which amounted to a total of $171 million. This represented 1.8% of their total sales.

Ads Forecast (Advertising Age, September 15, 1986), reported total advertising dollars for the household appliance industry were 4.3% of sales in 1985. The study, an annual report on advertising expenditures, is produced by Pansophic Systems. Ad dollars in the industry represented 15.3% of total gross margins (net sales less cost of goods sold). Expenditures increased 8.8% in 1985 form 1984. Spending includes both media spending as well as collateral literature and production. (Data on the leading advertisers in consumer magazine spending is reported in the ADVERTISING section of this Fact File).

HOUSEHOLD APPLIANCE SHIPMENTS

Sparked by soaring demand for air conditioners and dehumidifiers brought on by hot, humid weather in June, unit shipments of major home appliances rose during the first half of 1987. The unit shipments increased 10.1% over the comparable 1986 period. The 24.3 million units shipped by factories from January to June were a new industry record, according to the Association of Home Appliance Manufacturers. Shipments of air conditioners topped 2.8 million, a gain of more than 37% from the first six months of 1986. Dehumidifiers were up 34.4%.

Unit Shipments of Major Home Appliances, First Half 1986 and 1987
(Volume in thousands of units)

	First Half		% Change
	1987	1986	1987/86
Total shipments*	24,261.6	22,026.8	+ 10.1%
Electric ranges	1,633.9	1,584.2	+ 3.1
Free standing	1,312.5	1,299.1	+ 1.0
Built-In	321.4	285.1	+ 12.7
Microwave ovens/ranges**	5,717.5	5,694.6	+ 0.4
Automatic washers	2,978.7	2,694.9	+ 10.5
Dryers	2,278.2	1,956.7	+ 16.4
Electric	1,776.2	1,534.9	+ 15.7
Gas	502.0	421.8	+ 19.0
Dishwashers	2,011.1	1,856.0	+ 8.4
Built-in	1,887.3	1,742.0	+ 8.4
Portable	123.3	114.0	+ 8.2
Disposers	2,236.9	2,098.6	+ 6.6
Compactors	111.9	89.4	+ 25.2
Refrigerators	3,396.5	3,085.0	+ 10.1
Freezers	610.1	592.0	+ 3.1
Room Air Conditioners	2,829.8	2,063.7	+ 37.1
Dehumidifers	540.4	402.1	+ 34.4
Gas ranges	1,017.6	944.5	+ 7.7

* Shipment are domestic plus exports. Individual products may not add to the total shown due to overlapping product categories.

** Includes U.S. produced and imported microwave ovens and combination microwave ovens/ranges; this is the only figure that includes imports.

Source: Association of Home Appliance Manufacturers.

HOUSEHOLD APPLIANCE SHIPMENTS

Quantity & Value of Shipments by All Producers of Major Household Appliances, 1984, 1985

	Quantity (Thous. Units)		Value (Mil. $)		
	1985	1984	1985	1984	% Change 1985/84
Electric ranges, ovens and surface cooking units, including parts	7,909.7	8,605.4	$2,022.2	$2,263.4	-10.7%
Free standing ranges:					
Under 23", including apartment house type	113.9	121.4	21.7	21.4	+ 1.4
23" to 32":					
Low oven, including slide-ins	2,257.8	2,227.4	628.3	612.7	+ 2.5
High ovens High-low ovens	42.6	48.7	24.7	26.7	- 7.5
33" and over	na	35.2	na	13.0	--
Built-in ovens:					
Single oven	204.2	264.1	64.3	77.7	-17.2
Two oven	64.7	58.2	39.9	35.3	+13.0
Surface cooking tops	401.3	342.9	71.0	63.3	+12.2
Drop-in ranges	231.7	225.1	77.8	72.1	+ 7.9
Microwave ranges and ovens, excluding portables	141.1	167.9	117.6	140.0	-16.0
Microwave ovens, portable	4,319.5	5,041.6	781.1	1,032.7	-24.4
Gas household ranges, ovens and surface cooking units, including parts	1,970.5	1,892.5	580.3	542.1	+ 7.0
Standard type, free-standing:					
Over 32" cooking top & oven	105.4	90.6	33.9	31.7	+ 6.9
Over 24" to 32" cooking top & oven	1,199.3	1,106.8	333.7	307.3	+ 8.6
Apartment ranges, 24" cooking top and under	184.1	181.9	35.9	32.6	+10.1
Standard type, for built-in installation	79.1	120.8	26.6	31.3	-15.0
Surface cooking tops	138.2	131.5	21.5	25.7	-16.3
Nonstandard types:					
Wall-hung	4.4	6.6	1.3	2.0	-35.0
Slide-in or drop-in	203.8	194.1	52.7	45.4	+16.1
Other household ranges and cooking equipment (excluding gas and electric) and outdoor cooking equipment	10,195.8	10,102.4	462.9	465.8	- 0.6
Barbecues, grills, etc., for outdoor cooking:					
Permanently installed units	46.7	181.5	6.6	7.7	-14.3
Portable units	10,149.1	9,920.9	417.0	421.6	- 1.1

(continued)

HOUSEHOLD APPLIANCE SHIPMENTS

Quantity & Value of Shipments by All Producers of Major Household Appliances, 1984, 1985

	Quantity (Thous. Units)		Value (Mil. $)		
	1985	1984	1985	1984	% Change 1985/84
Household refrigerators, including refrigerator-freezer combinations	6,418.7	6,316.5	2,613.7	2,573.4	+ 1.6%
Compression type, filled with separate external doors:					
9.4 cubic ft. and under	na		na		
9.5 to 13.4 cubic ft.	291.9		72.3		
13.5 to 15.4 cubic ft.	1,153.9		371.5		
15.5 to 17.4 cubic ft.	894.4	6,316.5	324.9	2,573.4	
17.5 to 19.4 cubic ft.	1,778.3		727.4		
19.5 cubic ft. and larger	1,508.9		943.5		
Compression type fitted with only one external door	na		na		
Food freezers, complete units, household type	1,065.8	1,162.0	251.4	279.1	- 9.9
Household laundry machines	9,397.8	8,760.6	2,299.3	2,078.9	+10.6
Washing machines, mechanical, including those with dishwasher attachments:					
Standard size, electrically driven, automatic and semi-automatic, excluding coin-operated	5,278.4	na	1,430.7	na	
Dryers, mechanical:					
Gas	837.2		190.8		
Electric	3,002.9		576.5		
Household dishwashing machines food waste disposers, floor waxing machines and trash compactors	--	--	$1,036.3	$1,023.7	+ 1.2
Dishwashing machines:					
Portable, including convertible type	242.7	270.0	65.6	64.7	+ 1.4
Built-in type	3,283.1	3,159.9	723.5	695.2	+ 4.1
Floorwaxing, polishing, scrubbing & shampooing machines (for household use only)	666.0	396.8	39.7	26.5	+49.8
Food waste disposers	3,915.4	3,947.4	166.2	172.9	- 3.9
Household trash compactors	179.4	179.3	41.3	39.8	+ 3.8
Water heaters, electric	3,874.9	3,829.5	393.1	397.9	- 1.2
Storage type:					
44 gallons & under	2,311.5	2,272.6	211.7	218.7	- 3.2
45 to 54 gallons	1,082.5	1,100.3	115.5	119.0	- 2.9
55 gallons and over, and all other types, including circulating and portable storage	147.7	149.4	13.1	15.7	-16.6

na not available

Source: U.S. Bureau of the Census: Current Industrial Reports, Major Household Appliances, MA-36F(85)-1.

HOUSEHOLD APPLIANCE SHIPMENTS

In addition to the specific appliances covered in the preceding table, the Census Bureau issues Current Industrial Reports on other types of appliances, including air conditioners/dehumidifiers and certain types of heaters, as reported in the following tables.

Air Conditioners/Dehumidifiers

Quantity & Value of Shipments of Room Air Conditioners & Dehumidifiers by All U.S. Producers, 1984, 1985

	Quantity (Thous. Units)		% Change	Value (Mil. $)		% Change
	1985	1984	1985/84	1985	1984	1985/84
Room air conditioners, total	2,666.9	3,039.5	-12.3%	$639.2	$846.9	-24.5%
5,999 Btu/Hr. and under	667.0	821.2	-18.8	98.6	141.6	-30.4
6,000-6,999 Btu/hr.	173.8	145.7	+19.3	22.1	32.8	-32.6
7,000-7,999 Btu/hr.	231.3	240.5	- 3.8	46.5	56.1	-17.1
8,000-8,999 Btu/hr.	262.1	227.7	+15.1	58.9	56.8	+ 3.7
9,000-9,999 Btu/hr.	160.5	173.9	- 7.7	47.8	49.6	- 3.6
10,000-12,999 Btu/hr.	496.8	593.3	-16.3	137.3	176.6	-22.3
13,000-19,999 Btu/hr.	453.3	557.4	-18.7	137.7	201.3	-31.6
20,000 Btu/hr.	222.1	279.8	-20.6	90.4	132.1	-31.6
Electrically operated dehumidifiers, mechanically refrigerated, self-contained	589.1	586.0	+ 0.5	95.8	96.0	- 0.2

(r) revised

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Air-Conditioning & Refrigeration Equipment,
MA35M(85)-1.

Heating Stoves

Quantity & Value of Shipments of Heating Stoves By All U.S. Producers, 1984, 1985

	Quantity (Thous. Units)		% Change	Value (Mil. $)		% Change
	1985	1984	1985/84	1985	1984	1985/84
Domestic heating stoves, total	1,027.0	1,177.1	-12.8%	$281.2	$285.5	- 1.5%
Gas	174.6	174.1	+ 0.3	34.3	31.7	+ 8.2
Wood	637.4	716.1	-11.0	210.4	214.1	- 1.7
Fireplaces	467.0	490.7	- 4.8	181.8	165.8	+ 9.7
Stoves	170.4	225.4	-24.4	28.6	48.3	-40.8
Kerosene/Coal	215.0	287.0	-25.1	36.4	39.8	- 8.5
Air space heaters						
Portable room heaters	4,202.5	4,844.3	-13.2	96.0	102.4	- 6.3
Fan-forced type	3,232.5	3,755.4	-13.9	71.6	75.2	- 4.8
Other fan	967.0	1,088.9	-11.2	24.4	27.2	-10.3

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Selected Heating Equipment, MA34N(85)-1.

HOUSEHOLD APPLIANCE SHIPMENTS

Share of Market Data

The following data has been supplied by Appliance Magazine: (Dana Chase Publications, Inc.). This data represents the approximate 1985 percentage produced by each manufacturer for the U.S. appliance market (including private brands) for each specified product.

Manufacturers' Share of the Major Appliance Market, 1985

Microwave Ovens	
Sanyo	17%
Sharp	14
Samsung	11
Litton	10
GE	9
Tappan	8
Matsushita (Panasonic, Quasar)	8
Goldstar	7
Amana	6
Toshiba	4
Others	6

Refrigerators	
GE/Hotpoint	29%
Whirlpool	28
White Consolidated	20
Admiral Div., Magic Chef	14
Amana	4
Others	5

Freezers	
Whirlpool	37%
White Consolidated	36
Admiral Div., Magic Chef	18
Amana	5
Others	4

Washers	
Whirlpool	50%
Maytag	16
GE	15
White Consolidated	11
Others	8

Ranges (Electric)	
GE	29%
Whirlpool	15
White Consolidated	14
Roper	11
Tappan	7
Caloric	7
Others	17

Ranges (Gas)	
Magic Chef	25%
Tappan	20
Caloric	17
Roper	15
Maytag	8
Others	15

Water Heaters	
State Industries	26%
Rheem Manufacturing	25
Mor-Flo	20
A.O. Smith	14
Others	15

Dishwashers	
GE	38%
Whirlpool	20
Design and Manufacturing	18
Others	24

Dryers (Electric)	
Whirlpool	53%
GE	15
Maytag	13
White Consolidated	12
Others	7

Source: Appliance Magazine: (Dana Chase Publications), "A Portrait of the U.S. Appliance Industry," Sept. 1986.

HOUSEHOLD APPLIANCE SHIPMENTS

Value of Household Appliances Shipped By All U.S. Producers
In Constant (1982) Dollars, 1984-1987
(Value in millions of dollars)

	1987(f)	1986(e)	1985(e)	1984	% Change 1987/86	% Change 1986/85	Compound Annual Growth Rate 1984/79
Household Appliances (SIC 363)	$14,545	$14,311	$14,156	$14,460	+ 1.6%	+ 1.1%	- 0.5%
Household Cooking Equipment (SIC 3631)	2,770	2,757	2,788	3,098	+ 0.5	- 1.1	+ 3.0
Household Refrigerators (SIC 3632)	3,035	2,930	2,815	2,813	+ 3.6	+ 4.1	- 0.9
Household Laundry Equipment (SIC 3633)	2,650	2,565	2,490	2,370	+ 3.3	+ 3.0	+ 0.2
Household Vacuum Cleaners (SIC 3635)	1,350	1,300	1,212	1,138	+ 3.8	+ 7.3	+ 2.6
Sewing Machines (SIC 3636)	150	155	163	173	- 3.2	- 4.9	-15.9
Household Appliances, n.e.c. (SIC 3639)	2,115	2,054	1,999	2,018	+ 3.0	+ 2.8	- 1.0

n.e.c. not elsewhere classified
(f) forecast (e) estimate

Source: U.S. Department of Commerce:
International Trade Administration,
1987 U.S. Industrial Outlook.

Forecasting by the Association of Home Appliance Manufacturers, as of June 1987, shows that total unit shipments of major home appliances are expected to rise 1.2% for the year 1987 over 1986, despite a 10% rise in shipments recorded thus far for the first half of 1987. Shipments are forecasted to decline 2.6% in 1988, with a downturn for virtually all product categories monitored by the AHAM.

Trends and Forecasts of Unit Shipments of Major Home Appliances, 1985-1988
(Domestic + Exports; volume in thousands of units)

	1988	1987	1986	1985	% Change 1988/87	% Change 1987/86
Total shipments*	44,414	45,598	45,072	41,797	- 2.6%	+ 1.2%
Electric ranges	3,271	3,336	3,318	3,142	- 1.9	+ 0.5
Microwave ovens/ranges	11,517	12,379	12,444	10,883	- 7.0	- 0.5
Automatic washers	5,678	5,830	5,765	5,279	- 2.6	+ 1.1
Dryers	4,283	4,334	4,245	3,914	- 1.2	+ 2.1
Dishwashers	3,975	3,990	3,918	3,575	- 0.4	+ 1.8
Disposers	4,261	4,314	4,269	4,105	- 1.2	+ 1.1
Compactors	208	203	194	177	+ 2.5	+ 4.6
Refrigerators	6,534	6,482	6,510	6,081	+ 0.8	- 0.4
Freezers	1,224	1,232	1,222	1,236	- 0.6	+ 0.8
Room air conditioners	3,063	3,109	2,816	3,022	- 1.5	+10.4
Dehumidefiers	577	570	555	588	+ 1.2	+ 2.7

*Individual products may not add to the total shown due to overlapping product categories.

Source: Association of Home Appliance Manufacturers.

HOUSEHOLD APPLIANCES: DOMESTIC SUPPLY

Shipments, Exports, Imports and Apparent Consumption of Major Household Appliances, 1985
(Quantity in thousands of units; value in millions of dollars)

	Manufacturers' Shipments		Exports of Domestic Merchandise		Imports for Consumption**		Apparent Consumption***	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Electric ranges & ovens (other than microwave)	3,449.3	$943.8	39.7	$14.7	na	na	na	na
Microwave ranges & ovens	4,460.6	898.7	189.8	35.2	12,680.7	$841.4	16,951.5	$1,709.9
Refrigerators and combination refrigerators-freezers	6,418.7	2,613.7	101.5	55.8	1,358.1	155.8	7,675.3	2,721.6
Food freezers, household type	1,065.8	251.4	17.0	7.5	110.4	34.4	1,159.2	279.4
Washing machines, household type	5,455.8	1,495.7	125.9	41.0	86.3	44.9	5,416.2	1,505.4
Dryers, household type	3,942.0	808.6	51.3	17.2	14.6	2.6	3,905.3	796.4
Dishwashing machines, household type	3,525.8	789.1	36.5	12.5	na	na	na	na
Room air conditioners	2,667.0	639.2	77.0	28.6	259.0	58.0	2,849.0	668.6

na not available

* Value of exports is the value at port.
** Value of imports is the value in foreign country.
*** Apparent consumption is derived by subtracting exports from the total of manufacturers' shipments plus imports.

Source: U.S. Bureau of the Census, Current Industrial Reports (MA36F, MA35M).

HOUSEHOLD APPLIANCES: FOREIGN TRADE

Imports

Imports of appliances reached an estimated $2.5 billion in 1986, an increase of 6% for the year. This contrasts sharply with increases of 35% in 1984 and 15% in 1985 when demand for microwave ovens dominated the appliance landscape. Growth in microwave imports is still high but the U.S. market is gradually becoming saturated. Unit imports of microwaves were up almost 20% but intense price competition kept the increase in their value to just 3%.

HOUSEHOLD APPLIANCES: FOREIGN TRADE

Imports (continued)

Despite a significant decline in the value of the dollar in major foreign exchange markets, U.S. imports of refrigerators, vacuum cleaners and laundry equipment grew substantially in 1986. Imports of household refrigerators, freezers and refrigerator-freezer combinations were up 53% from 1985. The principal foreign suppliers of refrigerators were Japan, Canada, Italy, Korea and Sweden, which together accounted for 75% of the total value. Sources attribute the rise in refrigerator imports to an increase in the home construction market coupled with a reduction in U.S. interest rates. A rise in washing machine imports was led by growth in Japanese shipments to the U.S. and Japan, along with Canada, helped propel U.S. imports of clothes dryers.

In 1986, there was a discernible shift in overall appliance imports from Asian suppliers to European suppliers. Though Asian suppliers still have the market cornered, they fared poorly in 1986. Japan, Korea and Taiwan each increased their total shipments just about 5% while Hong Kong and Singapore experiences substantial declines. Increases in U.S. imports of appliances from Italy, West Germany, France, Sweden, Switzerland and the United Kingdom all increased by 30% or more. The dollar's decreasing value resulted in Europeans expanded shipments to the U.S. in anticipation of the expected price rises.

Developing countries are expected to increase their share of the U.S. market at the expense of Japan and the Europeans. Increased import penetration is expected to come in small appliances and there is still significant demand for microwaves. It is anticipated that Japan will shift more of its production to developing countries and the U.S.

Exports

In 1986, U.S. exports of household appliances declined 9.5% to $855 million. This comes on the heels of an 11.5% drop in 1985, when exports dipped below $1 billion for the first time since 1977. Sales to Canada, Mexico and Saudi Arabia, the major U.S. export markets along with the United Kingdom, declined sharply in 1986. The decline in the value of the dollar has not, as yet, had a significant impact on appliance exports to Japan and Europe. Sources foresee improvement in the trade balance with Asia and Europe but not with oil-producing nations.

Total U.S. exports of refrigerators and refrigeration equipment, including parts, increased 3% in 1986. Canada was the largest market; accounting for 18% of refrigerator exports. Mexico accounted for 4.4%.

HOUSEHOLD APPLIANCES: PRODUCER PRICE TRENDS

Preliminary producer (factory) price indexes for June 1987 present a mixed picture compared with one year ago. Some appliance classifications are rising in price at the factory level and others are declining. Overall, household appliance prices fell 0.4% compared with a 0.7% drop from December 1985 to December 1986. Microwave ovens, which are becoming increasingly affordable, had the largest drop in price in June.

HOUSEHOLD APPLIANCES: PRODUCER PRICE TRENDS

Producer (Factory) Price Levels For Specified Major Appliances: June 1986, 1987 and December 1985, 1986

	Monthly Index			Percent Change	
	June 1987	Dec. 1986	Dec. 1985	June 1987/86	Dec. 1986/85
All household appliances (12/84=100)	99.8	99.7	100.4	- 0.4%	- 0.7%
Cooking equipment (6/81=100)	109.3	108.5	112.9	+ 0.3	- 3.9
Free standing electric ranges	115.1	113.9	127.2	+ 1.2	-10.4
Built-in ranges	118.4	118.4	123.9	+ 0.6	- 4.4
Portable microwave ovens	79.7	79.7	82.9	- 3.5	- 3.9
Free-standing gas ranges	116.2	112.7	121.3	+ 4.5	- 7.1
Laundry equipment (12/79=100)	130.9	130.9	130.4	+ 0.2	+ 0.4
Automatic washing machines	124.9	124.7	124.5	+ 0.4	+ 0.2
Electric dryers	135.8	135.8	135.7	- 0.1	+ 0.1
Household refrigerators and freezers (12/81=100)	108.3	108.1	109.7	- 0.4	- 1.1
Vacuum cleaners, including parts and attachments (12/82=100)	105.4	104.8	107.7	+ 0.6	- 2.7

Source: U.S. Bureau of Labor Statistics.

HOUSEHOLD APPLIANCES: CONTRACT MARKET

Selected Appliances Included in the Sale Price of New One-Family Houses, by Region, 1985 and 1986

	1986		1985	
	Number of Houses (Thous.)	% of Total	Number of Houses (Thous.)	% of Total
U.S. total	750	100.0%	688	100.0%
Appliances:				
Stove	703	93.7	644	93.6
Dishwasher	686	91.5	611	88.8
Refrigerator	145	19.3	145	21.1
Northeast, total	136	100.0	112	100.0
Appliances:				
Stove	126	92.6	105	93.8
Dishwasher	121	89.0	97	86.6
Refrigerator	35	25.7	33	29.5

(continued)

Selected Appliances Included in the Sale Price of New One-Family Houses, by Region, 1985 and 1986

	1986 Number of Houses (Thous.)	1986 % of Total	1985 Number of Houses (Thous.)	1985 % of Total
Midwest, total	96	100.0%	82	100.0%
Appliances:				
Stove	71	74.0	58	70.7
Dishwasher	78	81.3	62	75.6
Refrigerator	15	15.6	16	19.5
South, total	322	100.0	323	100.0
Appliances:				
Stove	313	97.2	315	97.5
Dishwasher	302	93.8	293	90.7
Refrigerator	84	26.1	85	26.3
West, total	196	100.0	170	100.0
Appliances:				
Stove	192	98.0	167	98.2
Dishwasher	184	93.9	159	93.5
Refrigerator	12	6.1	11	6.5

Source: U.S. Bureau of the Census:
Characteristics of New Housing: 1986,
C25-86-13.

Selected Appliances Included in New One-Family Houses By Sales Price, 1986

	Percent of Houses Sold With: Stoves	Dishwashers	Refrigerators
Sale price of house:			
Under $50,000	76%	54%	16%
$50,000-$59,999	90	83	17
$60,000-$79,999	93	91	18
$80,000-$99,999	95	95	17
$100,000-$119,999	95	96	20
$120,000 & over	96	96	23

	Percent of Houses Sold With: Stoves	Dishwashers	Refrigerators
Average price of house:			
With specified appliances	$113,100	$114,300	$121,400
Without specified appliance	88,000	81,200	109,000
Median price of house:			
With specified appliance	92,700	93,600	98,700
Without specified appliance	76,500	68,200	90,400

Source: U.S. Bureau of the Census:
Characteristics of New Housing: 1986,
C25-86-13.

HOUSEHOLD APPLIANCES: CONTRACT MARKET (continued)

In addition to the new-house market for major appliances, a large market also exists, of course, in motels, hospitals, schools and other institutions. This Fact File is, however, just concerned with the household market for home appliances and does not cover these contract markets.

HOUSEHOLD APPLIANCE OWNERSHIP

Percentage of U.S. Households With Specified Appliances, 1983 and 1985

	1985	1983
Dishwashers	47.5%	45.0%
Dryers (Electric)	50.0	49.0
Dryers (Gas)	16.0	15.0
Freezers	42.5	42.8
Microwave ovens	49.0	33.3
Ranges (Electric)	62.0	58.0
Ranges (Gas)	42.0	42.7
Refrigerators	99.9	99.9
Washers	70.0	73.6

Source: Appliance Magazine: (Dana Chase Publications),
"A Portrait of the U.S. Appliance Industry," Sept. 1986.

ELECTRIC HOUSEWARES

GENERAL INDUSTRY STATISTICS

The introductory section of this Fact File presented government statistical data on the manufacturing of major appliances and electric housewares combined (see page 2). Available figures for the electric housewares segment, alone, are covered below.

Electric Housewares & Fans (SIC 3634*)

	1985	1984	1982	% Change 1985/84
Number of companies	na	na	217	--
Number of establishments, total**	na	225	262	--
Number with 20 or more employees	na	125	134	--
Employees, total (thous.)	30.7	33.1	38.7	- 7.3%
Production workers (thous.)	23.4	25.7	29.3	- 8.9
Payroll (mil. $)	$ 524.3	$ 522.6	$ 539.1	+ 0.3
Value added by manufacture# (mil. $)	1,546.6	1,669.7	1,511.9	- 7.4
Value of industry shipments## (mil. $)	3,099.6	3,238.6	3,128.4	- 4.3
Capital expenditures, new (mil. $)	68.5	64.9	73.0	+ 5.5

na not available

(footnotes continued)

GENERAL INDDUSTRY STATISTICS: ELECTRIC HOUSEWARES

* SIC Industry Definition:

3634 Establishments primarily engaged in manufacturing electric housewares for heating, cooking, and other purposes. Important products of this industry include electric air heaters, fans, electrically heated bed coverings, blenders, broilers, deep fat fryers, flat irons, food mixers, hot plates, percolators, coffee makers and roasters. Also included in this industry are personal care electrics: hair curlers, hair dryers, massage machines, electric razors, sauna heaters, electric toothbrushes and water pulsating devices.

** Covers manufacturing establishments (plants) only, and each location is separately counted. Not included are separate auxiliary locations serving the plants (i.e. administrative offices, purchasing, sales offices, etc.). The establishment count for 1984 is from the Census Bureau's County Business Patterns.

Value added by manufacture is derived by subtracting the total cost of materials (including supplies, fuel, electric energy, cost of resales and miscellaneous receipts) from the value of shipments (including resales) and other receipts, and adjusting the resulting amount by the net change in finished products and work-in-process inventories between the beginning and the end of the year.

Value of industry shipments represents the net selling values, f.o.b. plant, after discounts and allowances, and excluding freight charges and excise taxes. It includes receipts for contract work, all items made by, or for, each establishment from materials owned by it, and also miscellaneous receipts. It also includes both primary and secondary products made in the industry. Value of shipments by all producers, (including secondary manufacturers of electric housewares) is covered on pages 23-24.

Source: U.S. Bureau of the Census:
1985, 1984 Annual Survey of Manufactures,
1982 Census of Manufactures.

Employment & Earnings

In comparison with the major appliance industry, there was a definite weakness in the employment trend for the electric housewares industry. In addition, earnings in the housewares industry grew at a smaller rate, as did the number of hours production workers put in.

Employment & Earnings in the Electric Housewares Industry, 1984-1986

	Annual Averages			% Change
	1986	1985	1984	1986/85
Electric Housewares and Fans (SIC 3634)				
All employees (thous.)	36.0	38.3	40.1	- 6.0%
Production workers (thous.)	27.1	29.3	31.0	- 7.5
Avg. weekly earnings	$292.82	$281.64	$270.75	+ 4.0
Avg. hourly earnings	$ 7.23	$ 7.13	6.82	+ 1.4
Avg. weekly hours	40.5	39.5	39.7	+ 2.5

Source: U.S. Bureau of Labor Statistics,
Employment & Earnings.

GENERAL INDUSTRY STATISTICS: ELECTRIC HOUSEWARES

Industry Concentration

Unlike the major appliance industry, as previously noted, the manufacturing of electric housewares and fans is not dominated by a handful of companies. The four largest electric housewares firms represent just 38% of the market. The top eight accounted for just over 50% of industry shipments. Of the six major appliance industry classifications, the eight largest firms in each accounted for at least 73% of the market and, in the case of refrigerator production, 98% of the market.

Concentration By Employment Size, 1982

	Establishments		Value Added By Manufacture		Industry Shipments	
	Number	%	(Mil. $)	%	(Mil. $)	%
Electric Housewares and Fans (SIC 3634), total	262	100.0%	$1,511.9	100.0%	$3,128.4	100.0%
By establishment (plant) size:						
Under 20 employees	128	48.9	24.7	1.6	52.7	1.7
20-99 employees	51	19.5	80.9	5.4	172.1	5.5
100-499 employees	58	22.1	586.5	38.8	1,266.1	40.5
500 or more employees	25	9.5	819.8	54.2	1,637.6	52.3

Source: U.S. Bureau of the Census,
1982 Census of Manufactures.

Location of the Industry

The manufacture of housewares is not highly concentrated on a state level. The five leaders account for 48.2% of value added by manufacture, according to the 1982 Census.

States Leading in the Manufacture of Electric Housewares, 1982

	All Plants		Employees		By Manufacture	
	Total	With 20+ Employees	No. (Thous.)	% of Total	Mil. $	% of Total
Electric housewares and fans (SIC 3634), total	263	134	38.7	100.0%	$1,538.5	100.0%
Leading states:	70	39	16.5	42.6	742.5	48.2
Tennessee	11	9	3.5	9.0	182.2	11.8
Wisconsin	11	6	4.0	10.3	170.6	11.1
Ohio	12	6	2.6	6.7	152.4	9.9
New York	25	12	3.4	8.8	128.6	8.4
Pennsylvania	11	6	3.0	7.8	108.7	7.1

Source: U.S. Bureau of the Census,
1982 Census of Manufactures.

ELECTRIC HOUSEWARES SHIPMENTS

Detailed data on the production of electric housewares and fans is provided in the Current Industrial Reports. The Census Bureau interviews all known manufacturers of these products (approximately 110 companies) for the annual reports. A total value of $2.4 billion in domestic shipments was reported for 1986, representing a 5.4% decline from the 1985 total.

Quantity & Value of Shipments of Electric Housewares and Fans
By Product, 1985, 1986

	Quantity (Thous. Units)		Value (Mil. $)		% Change
	1986	1985	1986	1985	1986/85
Electric housewares and fans, total	--	--	$2,308.9	$2,441.1	- 5.4%
Electric housewares, (excluding parts), total*	--	--	1,840.1	1,940.4	- 5.2
Food preparation appliances:					
Broilers with or without rotisseries	413.6	522.5	14.8	18.9	-21.7
Automatic coffee makers, total	14,156.9	13,546.5	263.1	261.7	+ 0.5
Drip type	10,841.9	9,934.5	210.5	203.9	+ 3.2
Percolator or vacuum type	2,526.0	2,794.7	33.0	38.4	-14.1
Urn type	789.0	817.4	19.7	19.5	+ 1.0
Deep fat fryers	2,228.2	2,188.3	29.8	30.0	- 0.7
Ovens and roasters	2,619.2	3,791.6	107.8	156.4	-31.1
Hot plates and disc stoves (1,650 watts or less)	1,503.5	1,627.1	19.4	19.9	- 2.5
Automatic toasters	8,521.0	8,391.5	106.7	110.3	- 3.3
Waffle irons, sandwich grills, griddles and combinations	1,115.6	1,521.6	24.0	37.1	-35.3
Frying pans (skillets)	2,780.6	2,837.6	59.1	61.6	- 4.1
Corn poppers,	3,394.9	4,074.0	36.3	46.2	-21.4
Household food processors	2,147.8	1,642.6	75.7	62.8	+20.5
Household food mixers, total	7,773.6	8,266.1	206.6	216.9	- 4.7
Hand (portable)	2,479.1	2,848.8	28.8	35.0	-17.7
Stand type	1,154.6	1,217.0	92.0	92.4	- 0.4
Blenders (liquefiers) Ice crushers	4,139.9	4,200.3	85.7	89.5	- 4.2
Household food preparation appliances, except mixers and processors	1,372.2	1,503.7	33.0	31.8	+ 3.8
Can openers	4,593.2	4,961.0	54.4	53.4	+ 1.9
Electric irons, standard household types	7,660.0	6,834.0	113.8	104.4	+ 9.0
Electric blankets	4,688.8	4,785.6	122.7	128.0	- 4.1
Electric heating pads	4,726.5	3,832.4	37.4	31.0	+20.6
Hair dryers	506.2	367.1	8.5	5.7	+49.1

(continued)

Quantity & Value of Shipments of Electric Housewares and Fans By Product, 1985, 1986

	Quantity (Thous. Units)		Value (Mil. $)		% Change
	1986	1985	1986	1985	1986/85
Portable humidifiers	4,789.7	4,150.2	$ 58.9	$ 51.1	+15.3%
Air space heaters, total	6,979.9	7,885.3	164.3	195.6	-16.0
Portable room heaters:					
Fan forced type	3,088.6	3,257.9	60.5	72.1	-16.1
Other than fan forced (convector, radiant)	550.2	967.0	16.7	24.4	-31.6
For fixed installations, all types:					
Baseboard, except glass panel	2,253.7	2,363.3	47.5	49.9	- 4.8
Other than baseboard	1,087.4	1,297.0	39.7	49.1	-19.1
Electric fans, except industrial	17,240.6	19,122.3	468.8	500.7	- 6.4
Desk & wall bracket	2,722.5	3,169.5	45.3	51.9	-12.7
Window (household) permanent type	810.6	649.4	15.1	13.4	+12.7
Portable window fans and roll abouts	4,552.2	5,187.0	73.6	96.4	-23.7
Electric range hoods, total	2,521.7	2,455.3	99.0	97.1	+ 2.0
Ducted	1,203.1	1,105.4	59.7	56.9	+ 4.9
Nonducted	1,318.6	1,349.9	39.2	40.1	- 2.2
Oven hoods	97.3	165.3	4.9	8.7	-43.7
Ceiling fans	3,397.6	3,287.8	151.7	151.1	+ 0.4
All other household type ventilating and exhaust fans	3,138.6	4,208.0	79.3	82.2	- 3.5
All other electric fans					

* Includes electric housewares not separately reported, such as shavers, knives, toothbrushes, etc.

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Electric Housewares & Fans, MA36E(86)-1.

ELECTRIC HOUSEWARES SHIPMENTS

Share of Market Data

Data showing approximate breakdowns of electric housewares production by manufacturer has been published by Appliance Magazine in "A Portrait of the U.S Appliance Industry" Sept. 1986. The data is for 1985 and it also includes unit sales totals for the specified products.

Manufacturers' Share of the Electric Housewares Market, 1985

Irons (13,194,000)	
Black & Decker	43%
Sunbean	21
WearEver-ProctorSilex	19
Hamilton Beach	7
Norelco	6
West Bend	3
Others	1

Coffeemakers (Drip) (10,520,000)	
North American Systems	25%
NAP (Norelco)	18
Black & Decker	17
WearEver-ProctorSilex	16
Hamilton Beach	8
Others	16

Toasters (7,483,000)	
WearEver-ProctorSilex	41%
Toastmaster Div., Magic Chef	33
Black & Decker	12
Others	14

Toaster Ovens (3,194,000)	
Black & Decker	60%
WearEver-ProctorSilex	19
Toastmaster Div., Magic Chef	16
Others	5

Blenders (4,839,000)	
Hamilton Beach	38%
Oster	27
Waring	22
Others	13

Can Openers (6,246,000)	
Rival	33%
Black & Decker	24
Oster	11
Sunbean	9
Hamilton Beach	7
Others	16

Food Processors (3,083,000)	
Sunbean	26%
Hamilton Beach	20
Cuisinart	18
Black & Decker	14
Others	22

Source: Appliance Magazine: (Dana Chase Publications), "A Portrait of the U.S. Appliance Industry," Sept. 1986.

Distribution of Manufacturers' Sales

According to the National Housewares Manufacturers Association, 87% of all electric housewares sales are made directly by manufacturers to retailers, a reflection of the buying power possessed by mass merchandisers. The 13% of sales accounted for by wholesale outlets is down from their 20% share five years ago. These findings are based on the responses of 510 manufacturers to NHMA's annual research survey.

ELECTRIC HOUSEWARES SHIPMENTS

Distribution of Manufacturer's Sales (continued)

Percent of Total Dollar Sales By All Housewares Manufacturers To Retail Outlets, 1981 and 1986

Retail Outlets	1986*	1981**
Mass Merchandisers	35%	28%
Department Stores	11	11
Catalog Showrooms	7	10
Food Stores	7	6
Housewares/Hardware Stores	5	4
Drug Stores	4	6
Variety Stores	4	5
Mail Order	4	2
Home Centers	3	2
All others	7	6

* Retail outlets accounted for 87% of all sales
**Retail outlets accounted for 80% of all sales

Source: National Housewares Manufacturers Association, 20th Annual Marketing Research Study of the Housewares Industry, 1986.

ELECTRIC HOUSEWARES: IMPORTS

Imports of electric housewares to the U.S. increased significantly in 1986 over 1985, according to U.S. Commerce Department data. Big gains were reported in imports of toasters, blenders, grinders and can openers. Hong Kong and Mexico were responsible for much of the gains in these product categories, with Taiwan also a key supplier in toasters and China a key supplier in can openers.

Quantity & Value of Imports of Specified Electric Housewares, 1985, 1986

	Quantity (Thous. Units)			C.I.F. Value* (Mil. $)		
	1986	1985	% Change 1986/85	1986	1985	% Change 1986/85
Toasters	1,413.7	833.4	+69.6%	$13.9	$ 8.0	+ 73.8%
Coffee makers	3,919.2	2,989.6	+31.1	59.6	56.5	+ 5.5
Electric food blenders, food mixers and juice extractors	5,885.9	3,326.5	+76.9	61.2	30.0	+104.0
Electric food grinders, slicers and choppers	2,783.8	1,675.1	+66.2	43.4	22.7	+ 91.2
Electric fans, except for permanent installation	12,170.5	11,406.9	+ 6.7	98.7	106.6	- 7.4
Electric flat irons	9,043.0	7,453.7	+21.3	89.5	80.0	+ 11.9
Electric shavers	5,901.8	6,893.0	-14.4	88.8	93.6	- 5.1
Electric hair dryers	18,151.8	20,138.0	- 9.9	87.8	103.5	- 15.2
Electric hair curlers	na	na	--	39.3	38.9	+ 1.0
Can openers	4,621.2	2,203.2	+109.7	30.7	14.1	+117.7

na not available

(footnotes continued)

ELECTRIC HOUSEWARES: IMPORTS

* The C.I.F. (cost, insurance, freight) value refers to the value of imports at the first port of entry in the U.S. It is based on the purchase price, as well as all freight, insurance and other charges (excluding U.S. import duties), incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Department of Commerce:
U.S. General Imports (FT135),
December 1985, 1986.

TOP HOUSEWARES SUPPLIERS

The following listing is derived from HFD's compilation of the top 50 housewares producers based in the U.S. The firms were ranked by their estimated sales volume worldwide as of 1986. Sales volume was defined as the company's annual revenue derived from housewares products that moved through traditional retail channels including department stores, mass merchants, hardware stores, supermakrets, catalog showrooms and drug chains.

Leading Housewares Suppliers By Sales Volume, 1986

Rank	Company and Headquarters	Estimated Housewares Sales (In Millions)
1	Allegheny International, Pittsburgh, PA (Sunbeam, Oster)	$775
2	Chicago Pacific Corp., Chicago, IL (Hoover Co/)	750
3	Black & Decker Corp., Towson, MD	600-650
4	Corning Glass Works, Corning, NY	407
5	Rubbermaid Inc., Wooster, OH	400
6	Norelco Consumer Products, Stamford, CT	325
7	Anchor Hocking Corp., Lancaster, OH	320
8	The Eureka Co., Bloomington, IL	275-300
9	WearEver-ProctorSilex, Chillicothe, OH	250
10	Kidde Inc., Saddle Brook, NJ (Faberware)	225-250
11	Ekco Group Inc., Franklin Park, IL	220
12	West Bend Co., West Bend, WI	200
13	Regal Ware Inc., Kewaskum, WI	180-190
14	Hamilton Beach Inc., Waterbury, CT	180
15	Conair Corp., Stamford, CT	160-170
16	Lancaster Colony, Columbus, OH	160
17	Remington Products, Bridgeton, CT	160
18	Newell Cos. Inc., Freeport, IL	156
19	Cuisinarts Inc., Greenwich, CT	150
20	Libbey Glass, Toledo, OH	140
21	Clairol Personal Care, New York, NY	135-145
22	Toastmaster Inc., Columbia, MO (division of Magic Chef)	135
23	Household International, Prospect Heights, IL (Structo, Thermos)	130-135
24	North American Systems, Inc. Bedford Heights, OH (Mr. Coffee)	125
25	Bissell Inc., Grand Rapids, MI	100

Source: "The Top 50 Housewares Suppliers",
HFD - Retailing Home Furnishings, July 28, 1987.

MAJOR APPLIANCES AND ELECTRIC HOUSEWARES AT THE RETAIL LEVEL

THE POTENTIAL MARKET

Last fall's decline in mortgage rates helped make 1986 the best year for housing in nearly a decade. However, fixed-rate loans have shot up this spring and, despite a rush to beat rising rates that improved April sales, figures for the first half of 1987 are down from the comparable 1986 period. For January - June 1987, housing starts totaled just 831,400 units compared with 932,200 units for 1986, a decline of 10.8%. Housing starts in the South were not appreciable, partly attributable to the slump in energy-related industries.

The builders' trade group anticipates that housing starts will hit an annual rate of 1.6 million by midsummer, off about 10%. Some builders foresee a bigger plunge if mortgage rates rise further. However, underlying demand appears solid and mortgage rates are expected to rise only another half-point by fall, which buyers should be able to adjust to quickly. With a significant proportion of all major appliance sales going to builders, this is encouraging after a poor start to 1987.

New Privately Owned Housing Units Started, Annual 1985 and 1986
and First Half 1986 and 1987
(Thousands of units)

	First Half			Annual		
	1987	1986	% Change 1987/86	1986	1985	% Change 1986/85
Privately owned housing starts	831.4	932.2	-10.8%	1,805.4	1,741.8	+ 3.7%
Northeast	130.3	134.3	- 3.0	293.5	251.7	+16.6
Midwest	150.1	137.7	+ 9.0	295.8	239.7	+23.4
South	327.9	405.4	-19.1	733.1	782.3	- 6.3
West	223.1	254.9	-12.5	483.0	468.2	+ 3.2

Source: U.S. Bureau of the Census, Construction Reports Division.

Fueled by the proliferation of two-income households, many of which have postponed having children, disposable income is up significantly. Adjusted for inflation, disposable income increased 3% in 1986 after the 2.3% rise in 1985. The 35-44 age bracket, which covers the leading edge of the baby boom generation, registered the largest number of households with income of $30,000 to $39,000. During the last few years, wage increases have generally outpaced the rise in consumer prices, resulting in a net increase in purchasing power for consumers.

THE POTENTIAL MARKET

Total Money Income of Households By Age of Householder, 1985
(Number of households as of March 1986)

	Age of Householder						
	Total	15-24	25-34	35-44	45-55	55-64	65 & Over
Number of households (000)	63,558	3,174	14,894	14,913	10,767	9,744	10,067
Percent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total money income:							
Under $10,000	13.4	33.5	15.2	10.0	8.2	11.0	17.1
$10,000-$19,999	20.7	30.2	20.9	15.0	13.2	18.9	35.7
$20,000-$29,000	20.0	22.5	22.8	19.3	16.8	19.0	20.7
$30,000-$39,000	16.4	8.3	18.5	19.3	17.4	15.6	11.5
$40,000-$49,000	11.2	3.0	11.1	13.5	14.5	12.2	5.8
$50,000-$74,000	12.7	1.9	9.2	16.2	19.9	15.1	6.2
$75,000 & over	5.5	0.5	2.3	6.7	9.9	8.1	3.1
Median income	$27,735	$15,089	$26,023	$32,669	$36,653	$30,605	$19,162
Mean income	32,944	17,437	28,567	37,145	41,563	36,829	25,108

Source: U.S. Bureau of the Census:
Current Population Reports,
(Series P-60, No. 154).

THE CONSUMER MARKET

The value at retail for all major appliances and electric housewares reaching consumers was $24.7 billion in 1986 according to the Bureau of Economic Analysis (U.S. Department of Commerce). This represents a gain of 5.2% over the 1985 total which had increased 8.7% over 1984.

These figures cover the retail value of products reaching consumers through a variety of channels; through retail outlets, as well as direct sales by manufacturers and premiums. An important component of the total is the value of appliances and housewares included in new privately-owned housing units by contractors (the contract market). Not included are sales to the institutional market, such as hospitals and schools.

Personal Consumption Expenditures For Major Appliances and Electric Housewares, 1984-1986
(Value in millions of dollars)

1986	1985	1984	% Change 1986/85
$24,724	$23,497	$21,617	+ 5.2%

Source: U.S. Department of Commerce,
Bureau of Economic Analysis.

Appliance Magazine, in its September 1986 report entitled "A Portrait of the U.S. Appliance Industry", gives a retail value picture of the U.S. market. The 1985 retail dollar value of major appliances was $16,046,649,000 and electric housewares was $3,397,846,000. Listed separately are retail values for room air conditioners/heaters, air treatments/fans at $3,780,726,000 and for personal care appliances such as hair dryers and shavers at $1,441,002,000.

Household Expenditures on Appliance and Housewares

The U.S. Bureau of Labor Statistics conducts consumer interviews on purchases which are helpful in gauging expenditures on appliances and housewares in terms of various demographic considerations. Included are spending patterns determined by the age and income of householders and whether the housing units are privately-owned or rental. The data covers urban households but, unlike the total personal consumption figures covered above, does not account for the value of appliances and housewares in newly constructed housing units.

Projected Total Expenditures of Urban Households, 1984

	Major Appliances	Small Appliances/ Miscellaneous Housewares
By age of householder:		
Total	100.0%	100.0%
Under 25	4.2	5.8
25-34	24.6	19.8
35-44	22.9	24.5
45-54	17.9	23.3
55-64	17.6	16.3
65-74	9.3	7.8
75 & over	3.4	2.4
By income before taxes of household:		
Total	100.0%	100.0%
Under $5,000	5.7	5.9
$5,000-$9,999	11.5	7.9
$10,000-$14,999	8.3	7.9
$15,000-$19,999	8.5	7.7
$20,000-$29,999	18.2	17.5
$30,000-$39,999	17.8	13.7
$40,000 and over	29.9	39.5
By housing tenure of householder:		
Total	100.0%	100.0%
Homeowner	79.5	74.9
Renter	20.5	24.9

Major appliances includes refrigerators, freezers, dishwashers, stoves, ovens, garbage disposals, vacuum cleaners, microwaves, air conditioners, sewing machines, washing machines, dryers, and floor cleaning equipment.

Small appliances/miscellaneous housewares includes small electrical kitchen appliances,portable heating and cooling equipment, china and other dinnerware, flatware, glassware, silver and other serving pieces, non-electric cookware, and plastic dinnerware. Excludes personal care appliances.

Source: U.S. Bureau of Statistics:
Consumer Expenditure Survey, 1984,
(Bulletin 2267, August 1986).

RETAIL SALES OF HOUSEHOLD APPLIANCES & ELECTRIC HOUSEWARES BY TYPE OF OUTLET

Another source of information in retail sales of major appliances and electric housewares is The Discount Merchandiser, a publication which publishes an annual issue on market share by store type. This data is a bit more explicit than The Census Bureau data in detailing different store types. Whereas the Census Bureau may group discounters and other store types under "department stores," Discount Merchandiser has separate share of market figures for them.

Major Appliance Sales By Store Type, 1986

	% of total sales in each store type	% of total major appliance sales
Household appliance stores	62.9%	51.8%
TV, Radio stores	6.5	12.1
Furniture stores	5.3	12.0
Auto & Home Supply stores	2.9	6.6
Department stores	1.1	6.3
Discount stores	0.7	4.5
Hardware stores	2.4	2.3
Misc. Gen. Merchandise stores	3.0	1.7
Home Centers	1.1	1.5
Mail Order	3.5	1.2

Small Electric Appliance Sales By Store Type, 1986

	% of total sales in each store type	% of total small electric appliance sales
Discount stores	2.4%	33.1%
Drug & Proprietary stores	1.6	15.3
Department stores	1.2	15.1
Catalog showrooms	6.1	10.0
Misc. Gen. Merchandise stores	4.4	5.6
Supermarkets & Grocery stores	0.1	5.3
Hardware stores	2.1	4.4
Household Appliance stores	2.4	4.4
Auto & Home Supply stores	0.7	3.5
Variety stores	2.0	3.3

Source: The Discount Merchandiser, June 1987.

Data on total retail sales of major appliances and electric housewares was presented in the section on The Consumer Market. The most authoritative sales breakout of this merchandise by type of retail outlet is contained in the U.S. Census Bureau's report on retail trade. Undertaken every five years (the 1982 Census was published in late 1985), the Census of Retail Trade provides data on merchandise line sales of appliances and housewares, shown below. This data is supplemented by more recent figures to show trends in the industry.

RETAIL SALES OF HOUSEHOLD APPLIANCES & ELECTRIC HOUSEWARES BY TYPE OF OUTLET

Major Household Appliance Sales By Major Retail Outlet Type, 1982
(In retail establishments with payroll)

	Establishments		Sales by Outlet Type	
	Number	Percent	Thous. $	Percent
Major appliances, total	61,383	100.0%	$11,336,558	100.0%
Household appliance stores	10,239	16.7	3,625,163	32.0
Department stores*	6,286	10.2	3,585,980	31.6
Radio/TV stores	2,691	4.4	634,021	5.6
Building materials, hardware garden supply, mobile home dealers	9,008	14.7	479,756	4.2
Nonstore retailers	5,270	8.6	1,086,808	9.6
Mail order houses**	3,318	5.4	510,137	4.5
Direct selling establishments	1,952	3.2	576,671	5.1
Other retailers	27,889	45.4	1,924,830	17.0

* In 1982, leased department are not included in data on stores in which they are operated. They are counted as separate establishments in the appropriate kind-of-business specialty store classification. Sales from catalog order desks are included in department store data.

**See above footnote (*) regarding catalog order desks.

Source: U.S. Bureau of the Census, 1982 Census of Retail Trade.

Department stores accounted for 31.6% of reported major appliance sales in major outlets. As defined by the Census Bureau, "department stores" consists of three components: conventional department stores, discounters/mass merchandisers, and department stores operated by national chains such as Sears and Penney. The latter two groups account for a major share of children's wear business.

The Census of Retail Trade does not include a breakdown on how much appliance business was done by each of these department store operations in 1982. However, there is a breakdown of total store sales for the year: conventional accounted for 32.0%; discount/mass merchandisers, 39.1%; national chains, 38.9%. The mass merchandiser/discounter department stores (which represented 76% of all department store establishments and 68% of department store sales in 1982) have increased their shares since the census was compiled.

RETAIL SALES OF HOUSEHOLD APPLIANCES & ELECTRIC HOUSEWARES BY TYPE OF OUTLET

Small Electric Appliance Sales By Leading Retail Outlet Types, 1982

	No. of Establishments	Sales (thous. $)	Percent of Sales
Small electric housewares	69,910	$ 4,380,812	100.0%
Leading outlet types:			
Building materials, hardware, garden supply, mobile home dealers	10,702	243,553	5.6
Department stores	8,891	2,115,475	48.3
Variety and other general merchandise stores	14,308	730,457	16.4
Grocery stores	3,995	201,735	4.6
Household appliance stores	1,758	141,502	3.2
Drug stores	14,559	561,945	12.8
Nonstore retailers:			
Mail order houses*	3,098	153,560	3.5
All other outlets	12,599	232,585	5.6

* See footnote on above table.

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade.

Household Appliance Stores

In the first six months of 1987, sales of appliance stores gained 2.8% compared with sales in the same 1986 period, according to the Census Bureau. This compares with a 5% gain in sales reported for all durable goods stores. For the year 1986, sales of appliance stores totaled $9,564 million, 4.7% over the 1985 total of $9,137 million.

The monthly pattern in sales of appliance dealers was as follows in 1986 and 1985.

Monthly Sales Pattern in Household Appliance Store Sales, 1985, 1986

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1986	7.6%	6.4%	7.2%	7.2%	8.1%	8.3%	9.2%	8.6%	8.1%	8.6%	8.7%	12.0%	100.0%
1985	7.0	6.5	7.1	7.0	8.0	8.2	8.8	8.7	8.2	9.2	9.3	12.0	100.0

Source: Based on U.S. Bureau of the Census,
Revised Monthly Retail Sales.

RETAIL SALES OF HOUSEHOLD APPLIANCES & ELECTRIC HOUSEWARES BY TYPE OF OUTLET

Household Applicance Stores (continued)

In reporting on merchandise line sales in 1982, based on a complete census of retail trade, the U.S. Bureau of the Census has included the following information on major appliance and small electric appliance sales in appliance stores with payroll.

Major Appliance & Small Electric Appliance Sales in Household Appliance Stores, 1982

	Established Selling Merchandise Line	Sales of Specified Merchandise Line		
		Total (thous.) $	% of Total Sales of:	
			Stores Selling Line	All Appliance Stores
Major appliances	10,239	$3,625,163	64.7%	63.6%
Kitchen appliances	8,198	2,019,581	39.5	35.4
Laundry appliances	6,969	886,145	20.0	15.6
Other major household appliances	7,631	719,437	16.9	12.6
Small electric appliances	1,758	141,502	10.9	2.5

Source: U.S. Bureau of the Census, 1982 Census of Retail Trade.

Major appliances and small electric appliances make up about two thirds of total household appliance store sales, with the remainder divided among home entertainment products, housewares, furniture and other miscellaneous types of merchandise.

Department Stores

The latest detail on department store sales by merchadise line is from the 1982 Census of Retail Trade (U.S. Bureau of the Census), as noted below.

Sales of Major Appliances/Electric Housewares in Department Stores, 1982

	No. of Stores Selling Line	Total (thous.)	Sales of Specified Merchandise Line % of Total Sales of --	
			Stores selling the line	All Dept. Store Sales
Major household appliances	6,286	$3,585,980	5.2%	3.6%
Kitchen appliances	3,149	1,731,468	3.8	1.7
Laundry appliances	2,145	798,540	2.1	0.8
Other	5,482	1,055,972	1.7	1.1
Small electric appliances	8,891	2,115,475	2.4	2.1

Note: The department store classification includes conventional department stores and discounters. Department stores operated by national catalog chains, such as Sears, Roebuck & Co., are also included.

Source: U.S. Bureau of the Census, Census of Retail Trade.

RETAIL SALES OF HOUSEHOLD APPLIANCES & ELECTRIC HOUSEWARES BY TYPE OF OUTLET

Department Stores (continued)

An annual report on typical (median) merchandising and operating results of departments within department stores with annual sales of $1 million or more is compiled by the National Retail Merchants Association. Results for appliance and electric housewares departments have been reported for 1985.

Merchandising & Operating Results of Major Appliances & Electric Housewares In Department Stores with Total Sales Over $1 Million, 1985

(Median results)

	Total Home Furnishings (83)	Major Appliances (28)	Housewares and small Appliances (76)
Net sales, % change from last year	+ 0.9%	- 4.8%	- 0.7%
Sales, % to total store sales	14.3	0.8	2.4
$ sales per square foot of selling space (main or largest selling unit)	$ 87.3	$159.3	$121.9
Cumulative markon, %	45.4	26.1	39.4
Gross margin, % of sales (incl. cash discounts)	36.7	21.2	30.6
Advertising, % of net sales	4.0	3.2	3.8
Selling salaries, % of net sales	8.2	7.4	8.3
Number of stock turns (times)	1.9	3.3	1.8

* Number in parentheses refers to the number of companies reporting in each category.

Source: National Retail Merchants Association: Merchandising and Operating Results of 1985, (1986 Edition).

Top Major Appliance Retailers, 1986

Rank	Company (and Headquarters)	Major Appliance Volume (Mil. $)	No. of Stores
1	Sears, Chicago, IL	$4,500-5,000	807
2	Montgomery Ward, Chicago, IL	500-600*	295
3	Silo, Philadelphia, PA	200*	120
4	Circuit City Stores, Richmond,VA	182	87
5	Lowe's, North Wilkesboro, NC	151	305
6	Highland Superstores, Taylor, MI	136	53
7	Tandy Name Brand, Fort Worth, TX	102	253
8	ABC Appliance, Auburn Hills, MI	100	13
9	P.C. Richard, Hauppage, NY	97	17
10	Fretter, Livonia, MI	93	45
11	Newmark & Lewis, Hicksville, NY	85	40
12	Lechmere, Woburn, MA	80*	17
13	Tops Appliance City, Edison, NJ	79	22
14	Brick Church Appliance, Orange, NJ	70	21
15	The Appliance Store, Pittsburgh, PA	65	31
16	Kaufman & Roberts, Miami, FL	62	22
17	Polk Bros., Chicago, IL	50*	10
18	Audio/Video Affiliates, Dayton, OH	50	106
19	Luskin's, Baltimore, MD	45-55	52
20	Fred Schmid, Denver, CO	47	18

* Estimate

Source: HFD - Retailing Home Furnishings, August 10, 1987.

RETAIL SALES OF HOUSEHOLD APPLIANCES & ELECTRIC HOUSEWARES BY AREA

The Top 25 Metropolitan Markets For Sales of Major Household Appliances, 1985

		Major Household Appliance Sales (Mil. $)	% of Total
1.	Los Angeles/Long Beach, CA	590.2	3.6%
2.	New York, NY	385.2	2.4
3.	Chicago, IL	354.5	2.2
4.	Philadelphia, PA	297.8	1.8
5.	Boston/Lawrence/Salem, MA	268.9	1.7
6.	Detroit, MI	254.4	1.6
7.	Houston, TX	253.8	1.6
8.	Washington, D.C.	241.9	1.5
9.	Dallas,TX	192.3	1.2
10.	Nassau/Suffolk, NY	191.6	1.2
11.	St. Louis, MO	172.9	1.1
12.	Tampa/St. Petersburg/Clearwater, FL	171.5	1.1
13.	Minneapolis/St. Paul, MN	167.0	1.0
14.	Atlanta, GA	162.2	1.0
15.	San Diego, CA	158.7	1.0
16.	Anaheim/Santa Ana, CA	151.4	0.9
17.	Baltimore, MD	145.5	0.9
18.	Denver, CO	145.1	0.9
19.	Oakland, CA	144.5	0.9
20.	Miami/Hialeah, FL	139.8	0.9
21.	Cleveland, OH	134.2	0.8
22.	Phoenix, AZ	132.8	0.8
23.	Bergen/Passaic, NJ	128.8	0.8
24.	Kansas City, MO-KS	126.8	0.8
25.	San Jose, CA	124.6	0.8
	25 Metropolitan Markets, total	5,236.4	32.2
	U.S. total	16,242.2	100.0

Source: Based on Sales & Marketing Management,
"Survey of Buying Power", 1986 Edition.
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CONSUMER PRICES

Consumer prices for appliances,as reported by the U.S. Bureau of Labor Statistics, fell slightly in 1986 from 1985, a downward trend that has continued into 1987. Prices for microwaves, for example, continue to spiral down, making them far more affordable than just a few years ago. Laundry equipment, as in the near past, remains an exception.

CONSUMER PRICES

Consumer Price Indexes For Specified Major Appliances, Annual 1985, 1986 and June 1986, 1987

	June Monthly Averages			Annual Averages		
	1987	1986	% Change 1987/86	1986	1985	% Change 1986/85
All items (1967=100)	340.1	327.9	+ 3.7%	328.4	322.2	+ 1.9%
Household appliances (1967=100)	*	184.9	--	183.8	184.7	- 0.5
Refrigerators & home freezers (1967=100)	193.4	193.6	- 0.1	192.4	194.3	- 1.0
Laundry equipment (12/77=100)	148.1	147.6	+ 0.3	149.0	147.8	+ 0.8
Stoves, dishwashers, vacuums and sewing machines (12/77=100)	*	121.8	--	119.6	121.2	- 1.3
Office machines, small electric appliances, and air conditioners (12/77=100)	*	120.0	--	119.9	120.0	- 0.1

* Categories were changed in 1987

Source: U.S. Department of Labor, Bureau of Labor Statistics.

ADVERTISING

Leading Advertisers

In its Leading National Advertisers report, the Publishers Information Bureau details purchases of consumer magazine advertising space for appliance and housewares manufacturers. Annual data for 1985 and 1986 for some industry leaders is below.

Leading Appliance and Housewares Advertisers In Consumer Magazine Spending: 1985, 1986

	Expenditures ($000)	
	1986	1985
Refrigerators & Freezers:		
General Electric	$2,118.7	$1,349.9
Whirlpool	1,290.5	1,496.2
Stoves & Ranges:		
Whirlpool	3,816.2	1,747.8
General Electric	2,146.2*	381.1
Maytag	1,343.2	879.1
Sharp	696.6	544.4
Panasonic	563.6	1,212.3
Caloric	524.8	635.0

(continued)

ADVERTISING

Leading Advertisers

Leading Appliance and Housewares Advertisers In Consumer Magazine Spending: 1985, 1986

	Expenditures ($000)	
	1986	1985
Vacuum Cleaners:		
Eureka	1,406.9	911.9
Black & Decker Dustbuster	1,120.6	57.7
Regina	455.4	--
Kenmore (Sears)	334.4	--
Hoover	266.5	594.6
Dishwashers:		
Whirlpool	4,392.8	2,711.2
Small Kitchen Appliances:		
Black & Decker	3,528.4	3,696.8
Cuisinart	2,793.4	4,120.6
West Bend	1,465.2	1,238.2
Oster	885.2	402.4

* The 1986 figure includes more than $1 million in expenditures on ad space for microwave oven advertising; there was just a minimal amount spent on this in 1985.

Source: Publishers Information Bureau, Leading National Advertisers.

According to the PIB, the total spent for space by all leading advertisers of refrigerators and freezers fell 5% in 1986 from 1985. Expenditures for stove and range advertising space dropped 8.6% while vacuum cleaner and dishwasher ad spending together rose 23.2%.

Percent of Year's Total Newspaper Advertising Linage Done By Retailers Each Month, 1986

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Clothes Dryers	6.9	8.1	10.5	8.6	7.7	7.3	8.7	8.0	9.9	10.1	9.4	4.8	100.0%
Clothes Washers	8.6	8.6	9.4	9.5	7.5	7.2	7.8	8.0	10.2	9.3	8.9	5.0	100.0
Microwave Ovens	6.1	8.3	7.2	7.7	9.1	5.0	6.2	7.7	8.2	8.6	12.5	13.4	100.0
Refrigerators	6.6	7.8	7.9	8.7	8.8	11.1	12.1	8.5	9.8	6.7	6.8	5.2	100.0
Vacuum Cleaners	5.4	8.2	8.2	10.6	7.2	6.2	6.6	10.1	7.5	11.0	9.3	9.7	100.0

Source: Advertising Checking Bureau, 1986, (1988 Newspaper Advertising Planbook).

CONSUMER BUYING HABITS

The Replacement Market

The market for major appliances is expected to get a huge boost over the next ten to fifteen years from replacement purchases. The prime buyers of replacement appliances, the 35 to 44 age group, will grow steadily for the rest of the century, peaking at a projected 16.3% of the total U.S. population. These are the years when most people make their second or third purchases and, in addition, desire to trade up, paying for additional features that will differentiate their new appliances from the first unit probably bought with their home. Trading up may include purchasing a refrigerator a few cubic feet bigger or perhaps more timesaving features. One industry executive believes that 95% of replacements are trade ups.

Another key factor contributing to the life of appliances is changing lifestyles. The increasing number of working women, singles and two-income households has contributed to the average consumer eating out 3.7 times per week, according to the National Restaurant Association. This figure is expected to rise in the years to come. Fast food, combined with huge microwave oven sales, are depressing the replacement market for ranges.

Average Life Expectancy of Major Appliances, 1985

	Number of Years
Compactors	10
Dishwashers	11
Electric dryers	13
Freezers	15
Microwave ovens	11
Electric free-standing ranges	15
Gas free-standing ranges	15
Refrigerators	13
Automatic washers	12
Room air conditioners	11
Vacuum cleaners	11

Note: The life cycle of a product ends when the product is either replaced or discarded.

Source: Appliance Magazine: (Dana Chase Publications), "A Portrait of the U.S. Appliance Industry" Sept. 1986.

Electric Fans

Of all fan classifications, ceiling fans scored highest with consumers intending to purchase a fan, according to a study conducted for Chain Store Age by Leo J. Shapiro & Associates. Nearly half indicated that they would most likely buy a ceiling unit if they were to purchase another model while 20% of those surveyed said they "would definitely" or "probably would" purchase one within the next 12 months (the survey was done in early 1987). Oscillating models and box fans trailed behind. Data on where consumers purchase their fans and for which rooms is detailed below.

Electric Fans (continued)

Consumer Purchases of Fans By Oultet Type, 1987

Discount stores	26.4%
Sears, Penney, Ward	14.9
Home centers	11.3
Specialty stores	7.6
Department stores	5.6
Appliance stores	2.2
Others	32.0

Fan Purchases By Room They Are Intended For, 1987

Bedroom	38.0%
Living room	33.0
Kitchen	16.0
Family room	6.0
Dining room	5.0
Others	2.0

Source: Chain Store Age/
Leo J. Shapiro & Associates.

Market saturation levels compiled by Appliance show a very high level for irons and toasters and rapid growth in ownership of coffeemakers. These figures are based on reports from manufacturers.

Percentage of U.S. Households With Specified Electric Housewares, 1983 and 1985

	1985	1983
Irons	99.9%	99.9%
Coffeemakers (Drip)	65.0	57.0
Toasters	99.9	99.9
Toaster ovens	36.0	21.0
Blenders	62.0	60.0
Can openers	75.0	74.0
Food processors	40.0	22.0

Source: Appliance Magazine: (Dana Chase Publications),
"A Portrait of the U.S. Appliance Industry" Sept. 1986.

HOME ENTERTAINMENT PRODUCTS

Market Trends

Televisions

The accelerating demand for color television sets continued in 1986, to the point that they now represent more than 20% of the total factory dollar volume of consumer electronic products. Upwards of 18 million units were sold to dealers during the year. Of these, half were purchased by consumers as an additional set, about 40% were replacement models and just 10% were to first time purchasers. Particularly popular, according to the Electronic Industries Association, are units with wireless remote control and, with nearly 50% of all TV homes presently hooked into a cable television system, units that are cable-compatible.

Black & white television sets remain popular due to their portability, with many units designed for battery operation. Gaining increasing acceptance among the nation's television viewers are giant-screen projection televisions. Costs are still high but their average prices are declining. An explosive area of growth in TV production over the next decade may lie in sets that use liquid crystal display (LCD) technology. Very expensive at this point, these sets are potentially slimmer, lighter and more energy efficient than current models.

Video Cassette Recorders

VCR sales topped 13.5 million units in 1986 with sales valued at more than $5.25 billion. Household penetration is expected to reach 50% by the end of 1987, as their popularity, thought still high, begins to level off. Contributing to this growth has been consumer acceptance of camcorders, a one-piece camera-recorder combination with sales of nearly $1.3 billion in 1986, more than double the 1985 total. Many camcorders are purchased by consumers that already own home VCR's and have a desire for a simple to use, lightweight camera.

The growth of a camcorder sales comes despite the fact that a strong yen has kept prices from falling. The average price tops $1,000 and is expected to remain at this level for the near future. The issue, therefore, centers on which manufacturers can incorporate the most features at this price point.

A hybrid video-audio compact disc (audio CD's are discussed below) has been rolled out in mid-1987. The hybrid will permit users to watch their favorite rock group perform for five minutes, accompanies by 20 additional minutes of audio minus the video. Record companies wanted a video CD that they could sell like an MTV clip and, they hope, will become the 45 single of the future. The catch is that this type of CD requires the user to buy a new type of player bearing an approximate cost of $800. In development are portable players with liquid-crystal display screens in color, permitting the user to play their video clips even while they walk down the street.

HOME ENTERTAINMENT PRODUCT

Market Trends (continued)

Audio Systems

Sales of compact disc players, the industry's "hot" product (they first appeared on the market in 1983) continue to surge, with 1986 sales up an estimated 66% from 1985. A reduction in the price of players and an increased availability of discs in 1985 started what is, in essence, a revolution in the reproduction of high-fidelity sound. These digital recordings are distortion-free and are designed for use with home component stereo systems. All major music companies are releasing current albums in the CD format, with a typical CD recording about double the price of its release as a cassette. Digital recorders that rely on the same technology as CD players are still prohibitively expensive but are expected to gain popularity in a few years; this poses a significant threat to cassette recorders.

In another development, there has been a recent trend away from all-in-one audio systems, called compacts, that generally contain a turntable, receiver and cassette player. More and more, dealers are pushing what are referred to as uni-brand systems, separate components sold by one manufacturer. This relieves purchases of the difficulty involved in matching units produced by different companies for compatibility.

Home Entertainment Product Shipments

Factory Sales of Home Entertainment Products, 1983-1986
(Including imports; millions of dollars)

	1986	1985	1984	1983	% Change 1986/85
Color televisions	$6,024	$5,562	$5,538	$5,002	+ 8.3%
Black & white televisions	328	309	419	465	+ 6.1
Projection televisions	529	488	385	268	+ 8.4
Video cassette recorders	5,258	4,738	3,585	2,162	+11.0
Video disc players	45	45	45	81	--
Audio systems	1,370	1,372	976	630	- 0.1
Home radio	408	379	661	565	+ 7.7
Separate audio components	1,358	1,132	913	1,268	+20.0
Portable audio tape equipment	1,389	1,140	1,191	1,102	+21.8
Blank audio cassettes	304	277	275	249	+ 9.7
Blank video cassettes	1,480	1,285	931	580	+15.2

Source: Electronic Industries Association.

HOME ENTERTAINMENT PRODUCT SHIPMENTS

Share of Market Data

Data on the leading manufacturers of television and video cassette recorders for 1985 is contained in an analysis of the industry compiled by *Appliance* magazine. Private brands are included in the data.

Manufacturers' Share of the Home Entertainment Product Market, 1985

Color televisions	
RCA	18%
Zenith	16
NAP (Magnavox, Sylvania, Philco)	10
Matsushita (Panasonic/Quasar)	8
Sony	8
Sanyo	7
GE	6
Hitachi	3
Sharp	3
Fisher	3
Mitsubishi	2
Samsung	2
Goldstar	1
Toshiba	1
Curtis Mathes	1
All others	11

Video cassette recorders	
Matsushita (Panasonic/Quasar)	25%
Hitachi	17
Sanyo	10
JVC	7
Sony	6
Pioneer	6
Sharp	5
Mitsubishi	4
All others	20

Black and white televisions	
Samsung	13%
Sanyo	11
RCA	10
Matsushita	10
NAP	9
Zenith	9
Sony	5
Goldstar	5
Sharp	2
All others	26

Source: *Appliance* Magazine: (Dana Chase Publications),
"*A Portrait of the U.S. Appliance Industry*" Sept. 1986.

Home Entertainment Product Ownership

Estimated Household Penetration By Product, 1987

All televisions	98%
Radios	98
Color televisions	93
Stereo systems	89
Videocassette recorders	45
Home computers	18
Telephone-answering machines	17
Cordless telephones	16
Compact-disc players	7

Source: Electronic Industries Association,
(*U.S. News & World Report,* August 17, 1987).

HOME ENTERTAINMENT PRODUCT OWNERSHIP

VCR Penetration

Probably no single product introduction over the past decade has changed the fact of home entertainment to the extent that videocassette recorders have. VCR's give viewers the ability to rearrange time to suit their viewing convenience and permit them to develop their own programming. VCR's have steadily increased in sales since 1978 and, as of February 1987, were in 48.7% of TV households. Just three years before, their penetration was only 10.6%. One estimate suggests that by 1990, 72% of homes will have VCR's.

VCR Households and Percent Penetration, 1983-1987

	VCR Households (000)	% of TV Households
1983	4,580	5.5%
1984	8,880	10.6
1985	17,600	20.8
1986	30,920	36.0
1987	42,560	48.7

VCR Penetration By Region, 1986-1987

	1987	1986
Northeast	52.5%	39.2%
East Central	44.4	29.7
West Central	46.4	33.7
South	44.1	31.7
Pacific	56.9	46.3

Source: A.C. Nielsen,
(Multichannel News, July 27, 1987).

HOME ENTERTAINMENT FOREIGN TRADE: IMPORTS

U.S. imports of Home Enterntainment products presented a mixed picture in 1986, with varying performances from their 1985 levels. Color television, audio system and video cassette recorder imports were up in value while balck & white television and radio imports were down. The Department of Commerce reported a dramatic 98.7% growth in import value for audio systems despite the fact that the number of units imported decreased 7.3%. This is an indication of the growing trend to trading up and higher tech products.

Foreign producers of television sets dominate the U.S. market, all the more so following the July 1987 purchase of the GE/RCA consumer electronic business by France's Thomson S.A. This leaves Zenith Electronic Corp. as the only major U.S owned producer of color television sets; it presently accounts for about 15% of the U.S. market. In the mid-1970's, there were 15 major U.S.-owned makers of color TV's. Some were acquired by foreign companies (Quasar, Sylvania, Magnavox) while others ceased production because of heavy competition (Admiral, Motorola).

HOME ENTERTAINMENT FOREIGN TRADE: IMPORTS

Though VCR imports increased in 1986 from 1985, their rate of growth was far below the enormous increase from 1984 to 1985. This reflects a lessening of demand in the U.S. market as household penetration starts to approach saturation levels. There still is significant demand; but not approaching that of the past few years, when household penetration grew by 10% or more annually. Imports of VCR's which account for about 85% of the U.S. market, were also affected by the increased assembly of VCR's by Korean and Japanese companies in the U.S.. Another factor was a self-imposed restriction in VCR exports by the Korean Government. Korea decided to cut back on domestic production because its need for some Japanese components used in the production of its VCR's was having a negative impact on the Korean trade balance with Japan.

Imports of Home Entertainment Products, 1985-1986

	Units (In Thousands)			U.S. Customs Value (Mil. $)		
	1986	1985	% Change 1986/85	1986	1985	% Change 1986/85
Color televisions	9,755	7,685	+26.9%	$1,525.2	$1,113.8	+36.9%
Black & white televisions	6,556	6,381	+ 2.7	325.3	349.1	- 6.8
Home radios	40,455	43,501	- 7.0	533.0	609.8	-12.6
Audio systems	3,047	3,286	- 7.3	766.6	385.9	+98.7
Video cassette recorders/ players	17,605	16,262	+ 8.3	4,403.7	4,165.1	+ 5.7

Source: U.S. Department of Commerce.

Home Entertainment Foreign Trade: Exports

U.S. exports of home entertainment products are insignificant when compared with their imports. As with the 1986 performance of imports, there was a mixed picture with exports. The value of color televisions, home radios and audio systems was up while the value of black & white televisions and VCR's were down.

Exports of Home Entertainment Products, 1985-1986

	Units (In Thousands)			U.S. Customs Value (Mil. $)		
	1986	1985	% Change 1986/85	1986	1985	% Change 1986/85
Color televisions	357	267	+ 33.7%	$116.9	$ 85.8	+36.2%
Black & white televisions	77	101	- 23.8	10.9	11.6	- 6.0
Home radios	760	523	+ 45.3	17.8	14.0	+27.1
Audio systems	251	122	+105.7	34.6	25.0	+38.1
Video cassette recorders/ players	27	28	- 3.6	67.0	68.8	- 2.6

Source: U.S. Department of Commerce.

HOME ENTERTAINMENT PRODUCT SALES BY TYPE OF OUTLET

The top 200 retailers of home entertainment products, as reported by HFD - Retailing Home Furnishings (July 27, 1987), had sales totaling $22.1 billion in 1986, an increase of over $1 billion from 1985 and up from their 1984 total of $17 billion. The largest retailers continued to dominate, with the top 10 accounting for sales of $10.3 billion, close to half the total. Topping the list again was Tandy Corp.'s Radio Shack, with $2.4 billion in sales.

Mass merchants, including K mart and Sears, accounted for the largest share of retail distribution with 30% of total consumer electronics sales, down from their 35% share in 1985. Electronics specialty chains among the top 200 retailers had sales of $5.3 billion, representing 24% of the total.

Home Entertainment Retail Sales By Store Type, 1984 and 1986
(Based on total volume of the top 200 retailers)

	1986	1984
Mass merchants	30%	34%
Electronics specialty chains	24	30
Electronics appliance chains	22	15
Department stores	8	7
Catalog showrooms	7	8
Other*	9	6

* Includes military exchanges, furniture dealers, home and auto specialty chains, drug and toy chains.

Top Home Entertainment Product Retailers, 1986

Rank	Company (and headquarters)	Electronics Volume (Mil. $)	No. of Stores	Type of Outlet
1	Radio Shack, Fort Worth, TX	$2,428	7,132	Specialty stores
2	K mart, Troy, MI	1,980-2,000*	2,200	Mass merchant
3	Sears, Chicago, IL	1,500-1,800*	807	Mass merchant
4	Service Merchandise, Nashville, TN	950-1,000*	298	Catalog showroom
5	Circuit City Stores, Richmond, VA	820	87	Appliance stores
6	Montgomery Ward, Chicago, IL	590*	295	Mass merchant
7	Wal-Mart Stores, Bentonville, AR	590-600*	976	Mass merchant
8	Best Products Co., Richmond, VA	525*	194	Catalog showroom
9	Silo Inc., Philadelphia, PA	500	120	Appliance stores
10	Highland Superstores, Taylor, MI	483	53	Appliance stores
11	Target, Minneapolis, MN	400-500*	246	Mass merchant
12	J.C. Penney, New York, NY	450-475*	574	Mass merchant
13	Federated Group, City of Commerce, CA	430	65	Specialty stores
14	Curtis Mathes, Irving, TX	400	650	Specialty stores
15	Crazy Eddie Inc., Edison, NJ	353	36	Specialty stores
16	Platt Music Co., Torrance, CA**	265	104	Department store
17	Toys "R" Us, Rochelle Park, NJ	260*	271	Toy chain
18	Audio/Video Affiliates, Dayton, OH	229	106	Appliance stores
19	Tandy Name Brand, Fort Worth, TX	213	253	Specialty stores
20	Lechmere, Wovurn, MA	200-215*	17	Appliance stores

* Estimate
**Department store leasee

Source: "Focus 200: The Nation's Leading Consumer Electronics Retailers", HFD - Retailing Home Furnishings, July 27, 1987.

CONSUMER PRICE TRENDS

The home entertainment industry has consistently been able to produce better quality and more sophisticated products without price increases by taking advantage of rapidly advancing technology. Though prices may be high initially when a product is first introduced (as is the case right now with projection televisions), prices typically fall as the product gains increasing consumer acceptance (for example, videocassette recorders). Also, contributing to stable prices in the industry is its competitiveness and the reliance on low-cost foreign-produced components.

Consumer Price Indexes For Specified Home Entertainment Products
Annual 1985, 1986 and June 1986, 1987

	June Monthly Averages			Annual Averages		
	1987	1986	% Change 1987/86	1986	1985	% Change 1986/85
Appliances, including electronic equipment (1967=100)	137.3	140.1	- 2.0%	139.5	143.0	-2.4%
Television and sound equipment (12/77=100)	90.5	93.2	- 2.9	92.8	96.9	-4.2
Television (1967=100)	79.4	83.4	- 4.8	83.1	88.6	-6.2
Sound equipment (12/77=100)	103.2	102.7	+ 0.5	102.3	105.2	-2.8

Source: U.S. Bureau of Labor Statistics.

ADVERTISING

According to Advertising Age (September 4, 1986), national advertising expenditures for home entertainment products totaled $278.6 million. The breakout by media is below.

Share of Home Entertainment Product Advertising By Media

Newspapers	11.0%
Magazines	34.6
Newspaper supplements	0.4
Network television	16.1
Spot television	23.9
Network radio	1.8
Spot radio	3.5
Outdoor	0.8
Network cable	7.9

Source: Advertising Age, (September 4, 1986).

Percent of Year's Total Newspaper Advertising Linage
Done By Retailers Each Month, 1986

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Radios	4.9	6.7	7.1	5.5	8.4	8.8	8.1	9.2	7.6	8.4	10.8	14.5	100.0%
Stereo Sets	5.7	7.1	8.3	6.5	8.0	8.0	5.4	9.3	8.5	10.0	11.3	11.9	100.0%
Televisions	7.0	7.5	7.5	7.2	7.8	7.5	6.2	8.5	8.5	9.1	10.9	12.3	100.0%

Source: Advertising Checking Bureau, 1986,
(1988 Newspaper Advertising Planbook).

CONSUMER BUYING HABITS

Television Sets

According to the latest Chain Store Age/Leo J. Shapiro & Associates survey (Chain Store Age, July 1987), the most popular of all television features is remote control, regardless of which room the set is purchased for. Approximately 2 out of 3 desire remote control for their next T.V. purchase. In last year's survey, just over half the respondents indicated that this feature was essential. About 64% of the respondents want their next television to be a portable; 28% plan to buy a console and the remaining 8% a projection television.

Where Consumers Will Place The Next T.V. They Purchase, 1987

Living Room	47.4%
Bedroom	21.3
Family room	11.3
Den	9.6
Kitchen	2.4
Basement	0.7
Guest room	0.2
Other	4.9
No answer	2.2

Source: Chain Store Age/
Leo J. Shapiro & Associates.

Videocassette Recorders

A study on VCR ownership conducted by National Demographics & Lifestyles (Dealerscope Merchandising, September 1986) links ownership to affluence and youth. It shows that VCR owners are predominantly 25 to 44 years old with the individual's income reaching $40,000 or more. The following table shows what percent of the U.S. population in each age and income classification owns a VCR.

VCR Penetration By Age and Income

	Income of Head of Household (Thous. of Dollars)								
Age	Under $10	$10-14	$15-19	$20-24	$25-29	$30-34	$35-39	$40-50	$50+
25-34	20.8	27.0	26.4	30.7	32.5	35.1	36.7	39.6	42.2
35-44	17.8	21.0	24.3	25.9	30.0	32.3	33.0	35.7	39.7
45-54	12.6	11.2	16.6	18.7	19.8	25.0	24.4	28.3	30.9
55-64	6.0	8.4	10.7	13.7	14.5	17.4	19.6	21.8	25.9
65+	2.7	4.1	6.3	8.4	10.2	12.3	16.9	14.9	16.2

Source: National Demographics & Lifestyles,
(Dealerscope Merchandising, September 1986).

Videocassette Recorders (continued)

A 1986 survey on the VCR market, conducted by Market Facts Inc., sheds additional light on the characteristics of users. Although the units can be found in all demographic segments, VCR owners are likely to have larger households and, as indicated above, higher incomes and relatively young ages. Adults are the principal users of VCR's, with males somewhat more likely to use then than females.

The most important features purchasers desire in a VCR are cable compatibility, wireless remote control and high-speed forward/reverse. The most important factors in the consumer's purchasing decision are picture quality, price and format.

Data on VCR usage patterns was published in the July 27, 1987 issue of Multichannel News. Drawing on Nielsen reports, it shows what VCR users record and when.

VCR Recording By Set Status and Source, February 1987
(Figures are for an average week)

Set status:	
Set off	49%
Set on:	
Same channel that is being watched	33
Different channel than is being watched	18
Source of program:	
Network	72%
Independents	11
Public television	4
Pay service	9
Cable origination	4

Source: A.C. Nielsen,
(Multichannel News, July 27, 1987).

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS: Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS: An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are included as well as an analysis of developments that are shaping the U.S. consumer market -- living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1987 Edition): Updates information in the 1986 Edition on department and apparel specialty store sales (not including discount operation) for stores (buying headquarter locations) listed by state within the four major geographical regions of the U.S. Information on the number of stores in operation is included, as well as on plans to open stores, if available. Available data on sales of branch stores is included. Additional features include: An alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest available sales figures; a listing and sales figures for traditional department stores which have sales volumes published, or estimated, of $50 million or more in 1986; a list of conglomerates operating traditional department and apparel stores, including the names and locations of these stores.

DRESSES & CAREER APPAREL (WOMEN'S, MISSES' AND JUNIORS'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, career apparel, pants dresses, ensembles, etc. Includes number and size of manufacturers, production and value of shipments, industry location and trends in employment levels. Analyzed is the growing impact of imports on total growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc. to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS') (1987 Edition): Updates the 1986 edition with figures on U.S. manufacturers production and shipments by type of footwear. Also detailed statistics on imports and their impact on total U.S. market supply. Analyses industry trends and performance of major resources and retailers. Spotlights developments in the athletic footwear industry and consumer market. At the retail level, information is included on sales trends and merchandising results for shoe stores and for footwear departments in department stores; as well as consumer purchase patterns.

HOME TEXTILES & RELATED PRODUCTS: Includes the latest statistics on the U.S. industry, including manufacturers wide variety of products -- bed linens, towels, blankets, comforters, slip covers, pillows, curtains/draperies and hardware, shades, and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

HOSIERY/LEGWEAR/BODYWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

HOUSEHOLD APPLIANCES, ELECTRIC HOUSEWARES, HOME ENTERTAINMENT PRODUCTS: Covers a broad range of products included in these three classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

HOUSEHOLD FURNITURE AND BEDDING: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores. The potential market for work/career apparel is defined in data on trends in employment of men by occupation.

MEN'S SPORTSWEAR, CASUALWEAR, OUTERWEAR: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market. Departmental merchandising and operating results in department stores and in men's wear stores are covered.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade recently issued by the U.S. Census Bureau.

THE SPORTS/FITNESS/LEISURE MARKETS (A Fact File Special Edition): Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specific products; concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics on sports participation levels and purchases of specific sports equipment. Also buying habits in relation to activewear and sports equipment.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits.

A STATISTICAL ANALYSIS OF RETAILING (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Percentage distributions have been calculated for firms and outlet types, including single and multi-unit operations, sales concentration and geographical distribution, with comparisons with 1977 census findings where possible.

TABLETOP & GIFTWARES: Statistics included for these industries include those on both the manufacturing and retailing levels. There's coverage of production and shipments; foreign trade; retail sales; plus data on the consumer market including buying habits and expenditures.

THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures, foreign trade. Consumer expenditures by product are detailed, as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specific products.

WOMEN'S COATS, SUITS, RAINWEAR, AND FURS: Data from the domestic industry includes the number of manufacturers, industry concentration levels, trends in employment and earnings, production and value of shipments, including exports. Import trends and impact on U.S. market supply are analyzed. At the retail level, information includes consumer price trends, the size of the potential market and outlook for growth in terms of population by age group and employment trends among women. Also covers sales estimates and operating results in department and specialty store.

WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market are summarized.

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